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In France, Right and Left Claim Vote Win

PARIS — Spawning over 100 political parties, the French left and right each tried to put the best face on the results of local elections. But no matter who added up the figures, it was clear that the majority support won by the left last spring had not survived the winter.

Official figures provided by the Socialist government gave the moderate-conservative bloc 49.92 percent of Sunday's vote for seats in about half of France's *departements*, or cantonal assemblies. The leftist coalition won 49.59 percent, with the rest going to the non-partisan *Ecologistes*.

A runoff will be held Sunday in areas where no candidate received at least 50 percent of the vote.

The right accused Interior Minister Gaston Defferre of inflating the leftist vote by including independent candidates who were not part of the official coalition of Socialists, Communists and Radicals. Those three parties collected 47.5 percent of the vote for the 2,029 seats open.

France's electorate has traditionally been almost evenly divided between right and left, and fractional shifts in the balloting are considered significant. The cantonal elections took on added importance because both sides treated them as something of a referendum on the 10-month-old Socialist government of President Francois Mitterrand.

Not Permanent Shift

The last comparable cantonal elections were in 1976, when the left captured 52.5 percent of the vote. Last June, six weeks after France's presidential election, the left took a solid 55 percent in elections for the National Assembly, and the Socialists captured an outright majority.

Sunday's results showed that these two leftist victories could not be translated as a permanent shift by the electorate to the left and its programs, the newspaper *Le Monde* said.

Le Monde, considered left-leaning but independent, also said its analysis showed that the left "had failed in its objective of winning more than half the presidencies of departmental councils" and that "this regression will affect the

(Continued on Page 2, Col. 5)



Indian Defense Minister Ramaswamy I. Venkataraman, left, with Soviet defense minister, Monday in New Delhi. At center is Soviet naval chief Adm. Sergei Gorshkov.

Soviet Military Leaders, in India, May Seek to Revise Arms Policy

By Smart Auerbach
Washington Post Service

NEW DELHI — Leaders of the Soviet military establishment, including the defense minister and the air force and navy chiefs, landed here Monday amid speculation that the Kremlin wants India to revise its plan to buy more weapons from the West.

The government of Prime Minister Indira Gandhi has tried to downplay the six-day visit by Dm. Ustinov, the Soviet defense minister, and his entourage of close to 30 generals. But Indian sources noted that it is the largest military delegation the Soviet Union has ever sent outside the East bloc.

In private briefings for Indian counterparts in New Delhi, the Gandhi government has said that no new arms deals will be made with the Soviet Union as a result of Marshal Ustinov's visit.

But that has only served to fuel speculation even more, as both Indian experts and Western diplomats believe that Marshal Ustinov will offer New Delhi some of the Soviet Union's latest weapons — including the T-82 tank used by front-line Soviet troops in Europe and the MiG-27 interceptor and ground attack fighter.

Both of these weapons are far

ahead of anything currently available on the Indian subcontinent.

Marshal Ustinov, 73, contributed to that speculation on his arrival Monday at Delhi's Palam airport, when, in replying to a question about the U.S. sale of F-16 fighters and other weapons to Pakistan, he said: "I would like to emphasize that no one on the Indian side can complain about the Soviet Union's friendly relations with India in the field of defense."

The Soviet Union started supplying weapons to India 20 years ago and has become the country's largest arms dealer.

In 1980, India bought \$1.6 billion in Soviet weaponry, the largest arms deal between the two countries. The real value of that purchase has been considered three to four times greater than the official price, because the Russians offered cut rates and soft terms that were far better than those available from the West.

Attempts at Diversification

The Gandhi government, however, stung by charges that Moscow's influence has become excessive as a result of the arms supply relationship, has been trying to diversify its sources of weapons.

It bought Jaguar fighters from Great Britain and submarines

from West Germany and is negotiating with France to buy MiG-2000 fighter-bombers.

Reports in New Delhi are so widespread that the Russians are trying to stop the Mirage deal that Ramaswamy I. Venkataraman, the Indian defense minister, was forced to deny to Parliament that Moscow was bringing pressure on India to buy the MiG-27 instead.

The Gandhi government appears to be sending signals to Western diplomats that it plans to resist the Soviet pressure, even though it feels that U.S.-Pakistani arms deals are pushing it closer to the old reliance on Moscow for weapons that it wants to change.

The big question here, though, is whether Marshal Ustinov will offer India so good a deal that it will not be able to say no.

Whether India signs a new arms deal or not, it appears that it will press the Soviet Union to speed the supply of spare parts — which Indians complain have been lagging — for tanks and planes it has already purchased, and for help in improving this country's defense production facilities.

India now manufactures MiG-21s under license, but would like to begin producing the more modern Mig-23s.

Haig Offers Plan on Nicaragua; U.S. Caribbean Aid Bid Backed

NEW YORK — Secretary of State Alexander M. Haig Jr. outlined five proposals Monday that he said could serve as a basis for a settlement of the U.S. dispute with Nicaragua over its alleged support of the rebels fighting in El Salvador.

Mr. Haig said that he discussed the proposals Sunday with the Mexican foreign minister, Jorge Castañeda, who said he would relay them to Nicaragua and Cuba.

"I told him that these proposals could be a basis for a settlement with Nicaragua," Mr. Haig said at a news conference after ending two days of talks on President Reagan's Caribbean basin initiative.

Mr. Haig had met with the Canadian, Mexican, Venezuelan and Colombian foreign ministers on the Reagan initiative, which aims to boost military and economic aid to Central American and Caribbean nations. The ministers agreed in a joint communiqué that Mr. Reagan's plan "could make a significant contribution to the region's development."

Not a Middleman

Mr. Haig and other U.S. officials emphasized, however, that the United States would continue its own contacts with Nicaragua and Cuba, and said that Mexico had not been designated as a negotiator to represent the United States.

The five proposals include a no-aggression pact between the United States and Nicaragua and other nations in Central America, the discouragement of Nicaraguan rebels training in the United States and an end to the external supply of heavy weapons into Central America.

The other two proposals were the renewal of suspended U.S. aid to Nicaragua and "a commitment from Nicaragua to get out of El Salvador," Mr. Haig said.

Mr. Haig said that Nicaragua's agreement to end its supplies to Salvadoran rebels was crucial to the settlement of the U.S. dispute with the leftist Sandinista regime in Managua.

Reagan in Albania

Mr. Reagan, arriving Monday in Montenegro, spoke to the state legislature, said when asked about the Mexican proposals: "We're very glad to have their help in what they're proposing

doing. They're not negotiating for us. They hope to open some doors."

Asked whether he was encouraged by the president's response, "You know me, I'm always encouraged."

Aboard Air Force One on the flight to Montenegro, the deputy White House press secretary, Larry Speakes, said the meetings between Mr. Haig and Mr. Castañeda have provided the framework for some good discussions.

He continued: "There's more to talk about. The president has said he'll look at anything that provides a reasonable chance for peace in Central America. Our ultimate goal is to provide for free elections and to stop the shipment of arms from outside."

He said that no further meetings with the Mexican foreign minister were contemplated until after the Salvadoran elections on March 28.

At that time, Mr. Castañeda said Sunday, "there might be an opening for some kind of constructive action by one or a group of countries" aimed at ending the bloodshed in El Salvador, where leftist guerrillas are fighting against the U.S.-supported junta.

Mr. Speakes said that Mr. Reagan supported the comment made by Mr. Haig on Saturday that the situation in El Salvador had been "globalized." He also said the president was not unhappy with any of the statements made by the secretary of state that day.

Mr. Speakes said the United States had discussed the issue of Central America with the Soviet Union. "We have made our views known to them in private discussions," he said.

In their communiqué Monday, (Continued on Page 2, Col. 5)



Jorge Castañeda

Grateful for a Few Small Victories, Western Diplomats Leave Madrid

By James M. Markham
New York Times Service

MADRID — As the Madrid conference on detente and human rights disbanded last week and diplomats from the 35 participating states packed their bags, there was an inevitable tendency to regard the meeting as a failure.

After 16 months, the Conference on Security and Cooperation in Europe had done little to enhance the security of the states that signed the Helsinki accords in 1975 and had evinced more discord than cooperation between East and West.

Laborious negotiations over a concluding document that might have strengthened the Helsinki Final Act in such areas as family reunification, terrorism and scientific exchanges were fruitless, cut short by the Polish crisis.

But few diplomats felt they were the authors of this stalemate. Rather, as a Norwegian put it, "the most dangerous international situation since the end of World War II" had shaped, troubled and, finally, undermined the gathering.

"The Helsinki process is more a barometer of East-West relations than a driving force of its own," the diplomat said.

Moreover, from the viewpoint of the United States and most of its allies, the Madrid conference appears to have been a limited success. While its ostensible deliberations rarely caused much excitement in the West, broadcasts to Eastern Europe of speeches denouncing Communist infringements of human rights, the occupation of Afghanistan and the repression in Poland made Madrid a valuable forum.

U.S. diplomats had worried that the Soviet Union would exploit differences between the United States and the North Atlantic Treaty allies. But the NATO nations held together remarkably well.

The one serious split surfaced in the Western camp after the Russian ambassador in Poland called NATO member states to Madrid to criticize Moscow and Warsaw for the imposition of martial law in Poland. West Germany, supported quietly by France, opposed the U.S. plan to strongly criticize the Soviet Union and then leave Madrid. The Germans feared that this would leave NATO with responsibility for scuttling the conference.

But at a meeting on Feb. 8, Secretary of State Alexander M. Haig Jr. and his West German counterpart, Hans-Dietrich Genscher, struck a compromise. The United States agreed not to move to end the conference and the West Germans agreed not to participate in working groups, which would have conveyed the impression of "business as usual" despite the Polish crackdown.

The next day, as Western foreign ministers began to address the conference, the Soviet Union inadvertently bolstered Western unity by instructing the Polish chairman of the day to cut off the list of speakers. This arbitrary use of the chair outraged a number of foreign ministers, including the French minister of external relations, Claude Cheysson.

Soviet tactics also comportment in Madrid frequently appeared to have been improvised, suggesting to Western diplomats that Moscow has had trouble adjusting to the evolution of the Helsinki accords since 1975.

The agreement that came to be known as the Final Act was originally conceived by the Soviet Union as a solemn understanding among Europeans that would seal the boundaries and spheres of influence left by World War II.

But the human rights provisions of the agreement, and the stipulation that the implementation of the Final Act be reviewed periodically, lent the "Helsinki process" a dynamism and flexibility that overtook the initial Soviet interpretation of the document as an ersatz peace treaty.

In Eastern Europe, groups of "Helsinki monitors" began insisting that their governments live up to the Helsinki pledges.

It is unlikely that this evolution of the Final Act into a human rights charter pleases the Soviet leadership.

For this reason, some diplomats believe that Moscow would like to see the Madrid meeting become associated with endless wrangling and sterile negotiations. This image, it is argued, would discredit and weaken the potentially subversive Helsinki process, but not the static Final Act as initially conceived by Moscow.

The conference reconvenes in Madrid on Nov. 9.

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NEWS ANALYSIS

Warsaw — Polish authorities are investigating possible links between the murder in February of a Warsaw police officer and a nationalist dissident group known as the Confederation of Independent Poland, according to reliable sources.

The effort could be important in a separate court action, now being considered, which is seen here as the most significant political trial in Poland since Stalinist times. It could indirectly help authorities in their campaign against the suspended Solidarity labor union.

The possible effort to link the Warsaw murder and the Confederation for Independent Poland has not previously been reported. The official PAP news agency first reported earlier this month that nine persons, including a Roman Catholic priest, had been arrested in connection with the shooting aboard a Warsaw tram on Feb. 1.

While it has not been established that the group was formally a

guarantee our rights, but at the same time we continue working as if the war will continue for years," Mr. Ramadan said. "There is hope in human terms that we can end this war. But we draw up our plans on the basis that the war will continue for another year. We are not worried about continuation of the war."

Diplomatic observers here report that morale in Baghdad and at the front has markedly improved in the last few weeks.

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Court Rejects Confessions in Dozier Case

United Press International

VERONA, Italy — A court here Monday rejected the confessions of Red Brigades terrorists who kidnapped U.S. Gen. James L. Dozier on the ground that police exceeded their authority in interrogating the defendants after their arrest.

The ruling dealt a blow to prosecution hopes for a speedy trial of the 17 men charged with kidnapping the general from his home here last Dec. 17 and holding him 42 days.

After the ruling, the trial was recessed until Tuesday.

Prosecutors said that they had expected the court to reject defense motions that confessions made by some of the defendants be thrown out of court because they were obtained under psychological and physical duress.

Gen. Dozier, 50, the chief of logistics and administration at NATO's Southern Europe Land Forces headquarters in Verona, was not in the courtroom at the time of the ruling, but he is expected to testify Tuesday.

The charges of torture were initially made last week by Cesare Di Leonardo, 27, who is accused of taking part in the kidnapping. Mr. Di Leonardo's defense attorney, who said that he was making his request to invalidate interrogation transcripts on behalf of all the arrested terrorists, said that the police had violated the law by questioning the defendants in police stations and private apartments rather than in their jail cells.

"The interrogations were carried out for more than 20 days in places where the law says they should not have been, and were carried out in an atmosphere of physical and psychological exploitation," the attorney told chief judge Francesco Pulcinella.

Another defense attorney, Emanuele Frangaso, said that the defendants were not transferred to jail within 96 hours after they were arrested as required by law, but that they kept in police stations.

Both lawyers said that the defendants were moved from police station to police station, and the mistreatment that they allegedly received led to a climate of psychological and physical duress which they said made the interrogation transcripts invalid.

Kabul's Refusal of Envoy Provokes U.S. Anger

By Glenn Frankel
Washington Post Service

WASHINGTON — For the second time in less than a year, a South Asian country has rejected the appointment of a high-ranking diplomat assigned by the State Department to a U.S. Embassy there.

Afghanistan's Soviet-backed government touched off the latest disagreement by refusing to grant a visa to Archer K. Blood, a veteran expert on South Asia who was to serve as charge d'affaires at the U.S. Embassy in Kabul.

The State Department has called Afghanistan's action "an unacceptable breach of practice" and has retaliated by imposing travel restrictions on diplomats serving in the Afghan Embassy in Washington and the UN mission in New York.

Last July, India barred George G.B. Griffin as political counselor to the U.S. Embassy in New Delhi, because of opposition from leftist groups who accused Mr. Griffin of being a CIA agent. The United States, which denied the charge, retaliated by blocking India's choice

to fill the same position at the Indian Embassy here.

Some U.S. officials believe Moscow was responsible for both rejections. The Soviet press attacked Mr. Griffin while he was stationed in Kabul, for disseminating information to Western reporters about the Soviet intervention in Afghanistan. Pravda, the Soviet Communist Party newspaper, was one of the first to accuse Mr. Griffin of CIA connections.

Expertise Feared

In Mr. Blood's case, a State Department official in Washington said that while the Russians want the United States and other Western governments to maintain diplomatic missions in Kabul to provide legitimacy to the Soviet-installed government, they probably did not want someone of Mr. Blood's expertise and contacts inside the country. The Soviet Union has an estimated 90,000 troops in Afghanistan waging war against Moslem guerrillas.

Afghanistan told the department on Feb. 20 that it was rejecting Mr. Blood's visa application because of contacts he reportedly had with Afghan dissidents while he was deputy mission chief at the U.S. Embassy in New Delhi from 1977 to 1981. Indian press accounts said Mr. Blood's rejection also stemmed from contacts he is said to have had with former Afghan President Hafizullah Amin, whose Marxist government was overthrown in the December, 1979, Soviet intervention.

Mr. Blood was first stationed in the Kabul embassy in the mid-1960s. He returned for a six-month emergency stint in 1979, after the murder in February of U.S. Ambassador Adolph Dubs by Moslem extremists. It was during this second tour that he was said to have had contacts with Mr. Amin.

A State Department official who asked not to be identified confirmed this week that Mr. Blood had met with Afghan dissidents and with Mr. Amin. But the official said the meetings were routine for a diplomat charged with monitoring the country's political climate and denied that they constituted any interference in Afghanistan's internal affairs.

The United States has withdrawn almost all of the estimated 100 diplomats, support personnel and foreign aid officials who once were stationed in Afghanistan. A skeleton staff of 20, most of them support personnel and security guards, has remained in Kabul to maintain a U.S. presence there. State Department officials said.

In a written statement, the department branded Afghanistan's stated reasons for Mr. Blood's rejection as "irrelevant and immaterial" and said it has made requests to both the Afghan Foreign Affairs Ministry in Kabul and to the embassy here.

It also has imposed travel restrictions on Afghan diplomats similar to those imposed on Western diplomats in Kabul. In Washington, Afghan diplomats cannot travel more than 12.43 miles (20 kilometers) from the center of town — five Capital dome — without prior written permission from the department. In New York, the limit is 25 miles from the center of Columbus Circle in Manhattan.

Baghdad meeting is held. Reuters reported from Baghdad.

[The call came in a toast made by Yugoslav Foreign Minister Vukobratovic at a luncheon held for the visiting North Korean foreign minister, Ho Dam, who is scheduled to leave Baghdad on Monday after a five-day official visit, Reuters said.]

[Mr. Vukobratovic said that Yugoslavia attached great importance to the nonaligned countries' meeting and stressed the need to create conditions for good-neighbored relations between Iran and Iraq, both of which are members of the movement, Reuters reported.]

Interview With Iraqi

Taha Yasin Ramadan, first deputy premier and member of the Revolutionary Command Council, said in an interview that Iraq is prepared to withdraw from captured Iranian territory in stages before the conclusion of a peace agreement, provided that talks have begun "directly or through other parties" and show satisfactory signs of progress.

Western diplomats following the

conflict said this marked a concession from previous Iraqi formulations that demanded "agreement with Iran's Islamic leadership before beginning withdrawal from the 6,000 square miles (9,600 square kilometers) occupied since September, 1980. The more flexible Iraqi stand has been conveyed to Iran through an Islamic Conference mediation team that visited both countries last week, the diplomats said.

But Mr. Ramadan, who commands Iraq's growing Popular Army and is considered the third-ranking member of Mr. Hussein's Baathist regime, added that Iran has not responded so far to the Islamic team with anything to indicate that it is willing to negotiate peace on the Iraqi terms.

"Nothing has been communicated to us," he said.

Mr. Ramadan was careful to specify that Iraq still rejects the idea of withdrawal before negotiations begin, something that has so far been a major Iranian condition for peace talks.

The linkage of negotiations

and withdrawal is natural, in such a way that would guarantee the rights of both sides," Mr. Ramadan said. Asked whether withdrawal could nevertheless begin before the negotiations are completed, Mr. Ramadan replied: "This is subject to the negotiations. It could be done in stages."

In another shift regarded by Western diplomats as a sign of flexibility, Mr. Ramadan refused to specify what "rights" Iraq would consider the minimum acceptable should negotiations be arranged.

Previously, Iraqi leaders have clearly insisted on sovereignty over the Shatt al Arab waterway leading into the Gulf, the return of two disputed border areas and a pledge of noninterference from Iran's revolutionary Shiite leaders.

Although the latter two goals remain firm, there are increasing signs that Iraq would agree to a sharing agreement with Iran in the Shatt estuary if such an accord offered a way out of the war, the diplomats said.

"It is impossible for either country to use the Shatt al Arab ports except on the basis of good neighborliness," remarked an Asian diplomat.

Iran and Iraq shared sovereignty over the waterway under an accord worked out in Algiers in 1975 between Mr. Hussein and the late Shah of Iran. Iraq abrogated the agreement before the war, charging that it was forced on Mr. Hussein under duress and that it violated the spirit of other accords dating from Ottoman times that conferred sovereignty over the Shatt on Iraq.

The Iraqi leadership considers control over the waterway particularly important because it constitutes the nation's only outlet to the sea, a vital requirement for oil exports that fuel a high-speed development program now being threatened by the war.

Despite the increased flexibility in public peace terms, Mr. Hussein's leadership is still girding to meet the demands of war for another year and perhaps more. The new perspective for long-term planning was reached after a hard reappraisal over the last several months, diplomats here say.

"We are seizing any opportunity for peace in such a way as will

Iraq Is Softening Terms in Effort to End War With Iran

By Edward Cody
Washington Post Service

BAGHDAD — Boggled down in a debilitating war with Iran, Iraq is showing increased flexibility in efforts to end the 18-month-old battle for supremacy at the head of the Gulf.

Softened Iraqi terms for peace negotiations are seen as a measure of the eagerness existing in President Saddam Hussein's government and the Iraqi population to halt the fighting and its drain on human and financial resources a year and a half after the outbreak of a conflict that was supposed to last only a few weeks.

The softened terms are also seen as reflecting unease at the prospect of a continuing war — within an Iranian warplane's easy striking distance of Baghdad — during a conference of nonaligned nations that is scheduled to be held in the Iraqi capital in September.

Mr. Hussein is expected to assume the movement's presidency then — a coveted boost for his international prestige that could be marred by an Iranian attack.

[Yugoslavia, a prominent member of the nonaligned movement, Monday urged Iran and Iraq to halt the Gulf war before the Baghdad meeting is held, Reuters reported from Baghdad.]

[The call came in a toast made by Yugoslav Foreign Minister Vukobratovic at a luncheon held for the visiting North Korean foreign minister, Ho Dam, who is scheduled to leave Baghdad on Monday after a five-day official visit, Reuters said.]

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conflict said this marked a concession from previous Iraqi formulations that demanded "agreement with Iran's Islamic leadership before beginning withdrawal from the 6

U.S. Group Discusses Eastern Trade in Bonn

Bonn — Undersecretary of State James L. Buckley and West German leaders Monday discussed possible new sanctions over Poland amid opposition allegations that Bonn secretly approved huge credit guarantees for Moscow.

Mr. Buckley and the U.S. delegation accompanying him on a five-nation tour met Foreign Minister Hans-Dietrich Genscher for 30 minutes and agreed to remain in contact about "the credit policy of Western nations toward the East bloc," a West German announcement said.

The statement, issued before Mr. Buckley left for Paris, said Mr. Genscher stressed "the importance of political consultation and mutual agreement in the alliance."

But a Christian Democratic leader, Count Hans Hühn, accused the government of "secretly" ap-

proving \$640 million in state-backed guarantees for exports to the Soviet Union just before the arrival of the U.S. delegation.

The Bavarian opposition leader said the government approved the guarantees "unnoticed by the public," effectively blocking the U.S. attempt to seek new Western sanctions against the Soviet Union because of its support for the military takeover in Poland.

Since January the government has approved large credit guarantees for Soviet trade. But it says they were in connection with the Soviet gas pipeline agreement for Western Europe, which is being implemented despite the imposition of martial law in Poland.

Meanwhile, in Brussels the finance ministers of the European Economic Community Monday formally approved cuts on imports of 58 Soviet products in protest

over the Polish situation. The sanctions, which will apply until the end of this year, will take effect Wednesday.

The cuts will reduce Soviet exports to the Common Market by just over 1 percent, compared with the 3.5 percent proposed last month by the EEC Commission. The commission had suggested applying sanctions to about 100 products, but this was reduced at a series of meetings last week by representatives of the Common Market countries.

Diplomatic sources said the cuts represented about \$120 million in trade. The value of Soviet exports to the Common Market was about \$11 billion in 1980.

Imports of two products will be cut by a quarter over 1980 levels for those currently entering the EEC freely and by one-half over

the same levels for those on which controls already apply.

The announcement said in an annex that Greece had been excluded from the import curbs.

In Düsseldorf, 40 members of the suspended Polish trade union Solidarity appealed to the West not to impose economic sanctions against Poland saying the people, rather than the government, would be hurt most.

Bonn was likely to be one of Mr. Buckley's most difficult stops on his tour that will also take him to Paris, London, Rome and Brussels to discuss sanctions against the Soviet bloc.

Secretary of State Alexander M. Haig Jr. indicated that the administration would hold off on announcing new sanctions until Mr. Buckley returned.

Poland to Pay Debts

FRANKFURT (AP) — A Polish banking official said during the weekend that his financially troubled country would pay off by the end of the day Monday the last of the overdue interest it owes on loans from Western banks.

Last week, Western bankers estimated that only about \$20 million of an estimated \$500 million in 1981 interest payments was still outstanding.

Western bankers said they did not expect to sign until next month a new agreement on rescheduling the rest of Poland's debts, despite assurances during the weekend from Warsaw by Jan Woloszyn, first deputy president of Poland's foreign trade bank, that all of Poland's 1981 interest payments would be completed Monday.

Poland was unable to meet a Feb. 15 deadline for the interest payments, causing a planned March 4 signing of the rescheduling plan to be postponed until April 6.

Completion of the bank interest payments is a condition to the signing of an agreement to reschedule the repayment of \$2.4 billion in loans originally due for payment to Western banks last Friday. Mr. Woloszyn had given until March 26 to repay its 1981 interest. Poland owes an estimated \$26.5 billion to Western banks and governments.

Walesa's Wife Asks Release

WARSAW (Reuters) — The wife of imprisoned Solidarity leader Lech Walesa, Danuta Walesa, said Monday that she had appealed to Gen. Wojciech Jaruzelski, the Polish premier, to release her husband in time for their daughter's christening on Sunday.

Mrs. Walesa said a courier had delivered her written petition last Friday. Mr. Walesa reportedly has never seen his daughter, Maria Victoria, who was born on Jan. 27. He was interned on Dec. 13, when martial law began.

Dissidents May Be Tied to Killing in Poland

(Continued from Page 1)

part of the Confederation of Independent Poland, he said, they are "sympathizers with similar slogans and similar convictions."

He stressed that the investigation is not yet complete.

Other government officials have frequently cited the case as indicative of the threat of terrorism, and as a justification for continuing martial law restrictions on civil rights.

The Confederation of Independent Poland was a primary target of the authorities even before martial law. The officials have charged that it is an illegal political party whose aim is the violent overthrow of the Socialist system. The group's founder, Leszek Moczulski, and three other leaders are currently on trial for treason in a separate case. They face the death penalty if convicted.

Mr. Moczulski, a 51-year-old lawyer and journalist, has claimed in his defense that while the confederation is committed to restoring Polish self-determination, it strives to do so only within the framework of the country's constitution.

Thus, if any connection was legally established between the con-

federation and post-martial-law terrorist activity, it would undermine that line of defense. Martial law was instituted on Dec. 13, 1981.

Links between the Confederation of Independent Poland and Solidarity are more tenuous, although the case of the murdered police officer could have an impact on the free unions as well. Despite being officially banned, the confederation had been able to operate relatively openly in the political climate which followed the emergence of Solidarity in August, 1980. Last November, hundreds of confederation members marched in Warsaw as part of celebrations to mark the anniversary of Poland's independence after World War I.

Mr. Moczulski and his three colleagues were first arrested in the fall of 1980. There followed a widespread campaign for their release, which was supported by Solidarity. The union has stressed that it was fighting for a principle — that people should not be jailed for their political beliefs — and that it did not agree with the confederation's political platform.

Many members of Solidarity were nevertheless confederation members, and the authorities have

charged since martial law that the union facilitates recruitment of confederation members among factory workers. Also, it is known that Moscow has persistently pressured the Polish authorities to crack down on the confederation, which has bitterly opposed Soviet domination.

After the declaration of martial law, the Moczulski trial was moved to a military court.

The alleged youth terrorist group said to be responsible for Sgt. Karol's death is reportedly based in Grodzisk Mazowiecki and Podkowa Lesna, both small towns near Warsaw.

WORLD NEWS BRIEFS

9 Quit West Bank Village Leagues

JERUSALEM — Nine members of Israeli-sponsored village leagues in the West Bank resigned Monday, bringing to 11 the number who have quit since Jordan warned last week that membership in the leagues would be considered treason, a crime punishable by execution.

Mustafa Dadein, who heads the largest league in the Hebron area, said the resignations would not affect the groups' operations. "All those who resigned are closely identified with Jordan and have property and relatives there," he said.

Israel encouraged formation of the five leagues, drawn from 70 villages, as an alternative to the militant stand taken by mayors of larger towns, most of whom support the Palestine Liberation Organization.

Egypt's Foreign Minister Visits Israel

TEL AVIV — Kamal Hassan Ali, the Egyptian foreign minister, stressed Monday at the start of a three-day visit that Israel and Egypt must carry out their peace accords whatever impediments might arise.

Mr. Ali, who was met by Defense Minister Ariel Sharon, made no mention of President Hosni Mubarak's reported refusal to visit Jerusalem. Mr. Mubarak was quoted by a Kuwaiti newspaper Monday as saying he could not visit Jerusalem because Israel had proclaimed it the capital of the country in 1980. Egypt's government-controlled newspapers repudiated the interview.

Auwar Sadat, who was assassinated in October, briefly visited the Arab quarter of Jerusalem in 1977. An Israeli foreign ministry spokesman said Monday that Israel was awaiting official word from Egypt on the Mubarak visit. He said that "if Mubarak will not visit Jerusalem, we will have to forgo his visit to Israel."

French Center in Beirut Is Bombed

BEIRUT — A bomb went off outside the French Cultural Center in west Beirut Monday, shattering windows and causing injuries from flying glass, French Ambassador Paul Marc Henry said.

Mr. Henry said that about 200 persons were attending lectures when the bomb went off and that he knew of three injuries. A spokesman at the American University Hospital said that five persons were hospitalized. The privately run Voice of Lebanon radio said that there were eight injuries.

There was no immediate claim of responsibility, but Mr. Henry said without elaboration: "We have been told that there are threats against French interests. About 10 days ago, the French secret services informed us that a threat had been made. The last specific threat was made a month ago."

Schmidt Says He Would Run Again

BONN — Chancellor Helmut Schmidt is prepared to run for re-election in 1984 if the Social Democratic Party wants him, his spokesman said Monday, confirming reports that Mr. Schmidt had made the offer at a meeting with left-wing members of his party.

Mr. Schmidt took over as chancellor in 1974 following the resignation of Willy Brandt, and he won elections in 1976 and 1980. The West German Constitution provides no limit on length of service for the head of government.

Observers believe Mr. Schmidt made the offer to silence speculation that he might step down early because of differences within his party over foreign policy and military issues.

Evans Clinging to Times Editorship

LONDON — London Times editor Harold Evans chipped to his job Monday despite a demand for his resignation by the newspaper's Australian proprietor Rupert Murdoch.

The two men have been conducting a public battle over Mr. Evans' future since last week when Mr. Murdoch asked deputy editor Charles Douglas-Horne to take over.

"I have not resigned as editor, repeat, not resigned as editor," Mr. Evans said. A senior assistant, Bernard Donoghue, said: "Mr. Evans is still very determined." Press reports at the weekend said Mr. Evans, a prize-winning journalist who was made editor by Mr. Murdoch a year ago, was seeking £580,000 (about \$1.05 million) to leave.

Illinois Primaries Open 1982 Political Season

By Adam Clymer

New York Times Service

CHICAGO — The 1982 U.S. elections start in Illinois Tuesday, with primaries to record the first effects that redistricting and recession will have on the politics of a year that Democrats no longer fear.

Redistricting has already guaranteed changes in Illinois' congressional delegation. The changes will almost certainly help the Democrats. Moreover, the shifts here are part of a national trend that so far appears to have denied the Republicans the big reapportionment gains they once expected because of the 1980 census.

Rep. Robert McClory, a Republican, has already announced his retirement because of the new district maps, and their use Tuesday will cause at least one, and perhaps three, of his Democratic and Republican colleagues to join him.

Even though the unemployment rate has reached 9.6 percent in Illinois, the recession is less of an issue in the primaries than it could be later this year. Democrats are not fighting Democrats about it, and the nervousness of Republican candidates on the subject is displayed more by efforts to place a little distance between themselves and President Reagan than in quarrels between candidates.

Elements Combined

But one congressional district, the Peoria district of House minority leader, Rep. Robert H. Michel, combines the elements of redistricting and recession. More than one-third of its voters are newly added. The balance is more Democratic than it was in Rep. Michel's old district, although on paper it still looks Republican.

After the Jan. 4 filing deadline

passed without a Democrat entering against Rep. Michel, Caterpillar Tractor Co. announced new layoffs in Peoria and Decatur. In Peoria, the unemployment rate rose to 9.6 percent in January from 7.9 in December.

Two Democrats, state Rep. Gerald A. Bradley, whose own district was made less hospitable by reapportionment, and Douglas Stephens, a labor lawyer, began write-in campaigns to oppose Rep. Michel.

Statewide, Gov. James R. Thompson, a Republican, faces only token opposition for re-election. And, of the 16 Republican-held governorships that will be contested this year throughout the country, as against 20 for the Democrats, Gov. Thompson's is critical to his party. Several of his neighbors in the Middle West are not running again, and this is a region where Democrats expect to make some gains.

No Illinois Senate Vote

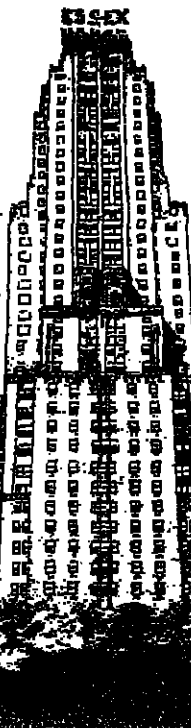
Gov. Thompson will face a credible foe in former Sen. Adlai E. Stevenson, who has no opposition for the Democratic nomination.

Neither of the U.S. Senate seats from Illinois is among the 33 being contested nationally. Only a modest overall change is expected in the Senate after the upheaval of 1980, when the Republicans gained a majority.

This election year is unfolding in ways that most politicians last year did not expect. House Speaker Thomas P. O'Neill Jr., Democrat of Massachusetts, warned the Democratic National Committee last month that "1980 was not a resigning election, but 1982 may be."

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Hare Krishna Cult Makes Inroads in Russia

Party Paper Sees Movement as Subversive Device Imported From West

By Theodore Shabad

New York Times Service

NEW YORK — The Hare Krishna movement, whose saffron-robed devotees have long been familiar in the United States, has begun making inroads in the Soviet Union, and the Kremlin does not appear to be pleased.

According to a published Soviet account, the group has won disciples among such educated people as engineers and technicians who were thought to be toughened against what the Kremlin regards as Western ideological subversion but who found themselves poorly prepared to cope with mantra-reciting youngsters.

Their chanting and meditation appear to have found fertile ground in the Soviet Union, a country where the practice of yoga to achieve a higher level of consciousness has long had a following among intellectuals. The Hare Krishna group teaches a devotional kind of yoga known as bhakti, calling for selfless dedication to Krishna, a Hindu god.

Parallels With Communism

The Soviet newspaper *Sotsialisticheskaya Industriya*, a national daily read by industrial managers, conceded that the beliefs and precepts of yoga appealed to knowledgeable people because some of its avowed objectives were close to those of Communism.

"It has become fashionable in the Soviet Union to fast for health reasons and to follow all sorts of diets, and yoga advocates vegetarianism," the paper said. "We are fighting against drunkenness and condemn smoking, and yoga prohibits the use of both alcohol and nicotine. We are trying to put

crass materialism to shame, and yoga calls for asceticism and for renouncing the attributes of well-being."

But the newspaper, intent on portraying the Hare Krishna movement as a subversive device imported from the West, pointed out that while teaching ancient Indian philosophy, the movement in fact had an American base and received most of its financial support from Americans.

The movement, known formally as the International Society for Krishna Consciousness, was founded in the United States in July, 1966, by an Indian-born ascetic named A.C. Bhaktivedanta Swami Prabhupada. He died in 1977 at the age of 81.

Welcome at Book Fair

The industrial daily, which is published by the Communist Party's Central Committee, conceded that the Soviet authorities themselves had in effect opened the doors to the Hare Krishna movement by admitting its publishing arm, the Bhaktivedanta Book Trust of Los Angeles, to the Moscow International Book Fair in 1979.

While refusing visas to leading American publishing executives such as Robert L. Bernstein, chairman of Random House, and weeding out undesirable titles from displays, the authorities appear to have given virtually free rein to the Krishna publishing house to exhibit books on India's ancient Vedic philosophy and other religious and philosophical literature.

The 1979 book fair was attended by thousands of Russians, predominantly young and with the dress and bearing of the better educated. Some of them, apparently predisposed

to the discipline of yoga, readily found their way to the exhibit, helping out as interpreters or in some other capacity.

"To draw in visitors," the newspaper quoted one of them as having said, "we offered Indian sweets that other devotees and I prepared. We played Hare Krishna music. Bright-colored books with eye-catching pictures of mythical beings lined the shelves. Fair-goers were invited to fill out order blanks, and the money, anywhere from 5 to 30 rubles, had to be put down at once."

Spread to Siberia

By the fall of 1980, according to *Sotsialisticheskaya Industriya*, the movement had spread as far as 2,000 miles east of Moscow, to the Siberian city of Krasnoyarsk, where a Hare Krishna chapter was set up at the local House of Culture, the community center, under the guise of a health club.

The young Russian who had helped prepare sweets at the book exhibit, Yevgeny Tretyakov, appeared at the first meeting in saffron garb, recited mantras and explained that the way to health was through Krishna consciousness. The chapter continued to meet in the homes of devotees, changing addresses from time to time to avoid detection.

In the end, the law caught up with Mr. Tretyakov. He was sentenced to an unspecified sentence as a "social parasite," and the Krasnoyarsk group, deprived of its spiritual leader, gradually fell apart.

The Soviet press tends to seize on specific examples to make a more general point, and publication of the Hare Krishna exposé in a major newspaper with a national circulation suggested that the devotional movement had won followers not only in Krasnoyarsk.

Spy Cases in U.S. Were Dropped Despite Questions About Legality

By Judith Miller

New York Times Service

WASHINGTON — Justice Department lawyers concluded in 1977 that although the nation's intelligence agencies had engaged in electronic surveillance that might have violated the "fundamental constitutional rights" of U.S. citizens, federal prosecution was neither practical nor advisable.

"While the violation of those rights, whether intentional or inadvertent, cannot be condoned," the lawyers said in a 175-page report, "the prosecution of alleged malefactors without any reasonable probability of conviction would seem to be equally indefensible."

The report, dated June 30, 1976, and a 50-page summary and recommendation to the assistant attorney general, Benjamin R. Civiletti, dated March 4, 1977, ended a two-year government investigation into allegations that the CIA and National Security Agency had violated individual civil liberties and laws regulating electronic surveillance.

The once-secret documents were obtained under the Freedom of Information Act by V. James Bamford, a writer whose book on the history of the National Security Agency will be published this fall.

The Reagan administration has demanded that the documents be returned, arguing that they were improperly declassified and contained secret information that could damage national security. The documents were made available to the New York Times through independent channels.

The documents in question concern a Justice Department investigation in 1975 into reported illegal spying by the NSA and the CIA.

Mr. Bamford's book, entitled "Puzzle Palace: A Report on America's Most Secret Agency," details the security agency's "Minaret" operation, in which anti-Vietnam war protesters such as Jane Fonda, Martin Luther King, and Dr. Benjamin Spock were placed under surveillance.

Specialists on government information said the administration's insistence that the documents be returned was extremely unusual. Morton H. Halperin, director of the Center for National Security Studies, said there was no legal basis for the government request.

At a meeting in July and in subsequent letters to Mr. Bamford, Mr. Schroeder said the information had been released in error by Robert L. Kench, deputy assistant attorney general in the Carter administration, and was, therefore, still considered secret by the government. Mr. Bamford has declined to return the documents. Letters from Mr. Schroeder dated Sept. 22 and Nov. 27 suggest that Mr. Bamford might be subject to federal legal action if he publishes the information as planned.

The documents provide an important historical coda to the series of investigations that began in 1975 after disclosures suggesting that the agencies had conducted a large, and probably illegal, domestic surveillance operation in the late 1960s and early 1970s.

A presidential commission, headed by Vice President Nelson A. Rockefeller, concluded in a report in June, 1975, that the agencies had engaged in vast intrusions on privacy as well as specific viola-

tions of the law and of the CIA's jurisdiction under the National Security Act of 1947.

In October, 1975, the Justice Department formed a panel to review the commission's findings, conduct an independent investigation and decide whether legal action should be pursued.

The report concluded that while the commission had raised questions about seven areas of CIA-related electronic surveillance, "our inquiry revealed 11 additional areas of questionable activity involving the CIA, NSA and FBI." Altogether, the study uncovered "23 different categories" of questionable activity.

However, rather than prosecution, the report recommended that Congress pass a law that would spell out the responsibilities of and restrictions on the intelligence agencies. Legislation that would provide a charter for them has been bogged down in congressional committees for several years.

The report concluded that of the major projects reviewed, the most pervasive was Operation Shamrock, under which the National Security Agency, with FBI assistance, received copies of all domestic and international cables transmitted by private companies for more than 30 years.

Meese Says U.S. Bureaucracy Fights To Continue Classifying Documents

New York Times Service

WASHINGTON — Presidential counselor Edwin Meese 3d says that the White House is trying to "decrease the number of classified documents" to those that actually are vital to the national security.

Speaking last week at a meeting of the National Newspaper Association here, Mr. Meese suggested that a controversy over a draft executive order that could greatly expand government secrecy actually was the fault of an overzealous bureaucracy trying to have its own way.

"The official policy is to de-

crease the number of classified documents to those that are actually vital to the national security and then do a better job of safeguarding those," Mr. Meese told the group of editors and publishers of weekly and small-sized daily newspapers.

He continued: "But I've got to admit that early on, as they always do, the bureaucracy tested us and they tried to expand classification. And so I think you'll find that that is being corrected in the current drafts of the classification executive order that is now being studied by us."

In China, Attention Turns to the 'Russia Card'

By Michael Parks

Los Angeles Times Service

PEKING — With U.S.-Chinese relations nearing a crisis over U.S. arms sales to Taiwan, the Soviet Union is bidding to improve its own long-strained ties with China in a resumption of three-cornered global diplomacy.

Moscow is pressing Peking to resume suspended border negotiations — talks that would not only reopen a vital channel of high-level diplomatic communication but also remind Washington of China's unyielding "Russia card."

A series of Soviet gestures to China suggests that the Kremlin wants to reduce tensions and that there are new possibilities for such a rapprochement.

China has not answered the Soviet proposal on resuming border talks, but the only real question, many diplomats here feel, is one of timing.

Resumption now could complicate the delicate negotiations with the United States over the future of U.S.-Chinese relations, and might be misconstrued by countries in Western Europe and Japan, which are imposing sanctions on the Soviet Union over the imposition of martial law in Poland.

Quiet Encouragement

But Peking appears to many diplomats here to be resolved on the desirability of renewed talks with Moscow, as much to engage the Kremlin in a wider dialogue and regular contacts as out of any expectation of resolving the border dispute.

Chinese officials insist again and again to Americans that Peking will not reverse course and return to an alliance with the Soviet Union, that even talks on better overall relations are not possible while Soviet troops occupy Afghanistan and Vietnamese troops occupy Cambodia. But China has quietly encouraged Soviet initiatives over the past year.

"China does not want to play its 'Russia card,' but it does not mind allowing the United States to peek at it now and again," said a veteran East European envoy, a close observer of Chinese relations with the United States and the Soviet Union. "If the United States feels uneasy about this, it should remember that it started the game 10 years ago to get a bit of leverage on the Soviet Union."

The Soviet bid for renewed border talks — the last session was in 1979 — was overtly solicited by China last autumn, when Deng Xiaoping, the powerful Communist Party deputy chairman, separated them from the broader negotia-

NEWS ANALYSIS

tions on improving overall relations and dropped some of Peking's preconditions.

Premier Nikolai A. Tikhonov of the Soviet Union replied last month with a pledge that Moscow would take "concrete steps" to improve relations provided Peking reciprocated.

China said there was nothing new in all this. "It has never been the Chinese responsibility that Chinese-Soviet relations have developed into what they are now," the Chinese Foreign Ministry commented. "We still cannot discern any intention on the part of the Soviet Union to change its present policy."

An informed but unofficial Chinese source suggested that Peking was waiting for another Soviet gesture, "one of the concrete measures Tikhonov spoke about." This might be a reduction in troop strength along the heavily defended border or a freeze in the deployment of SS-20 intermediate-range missiles, or simply a Soviet admission, denied so far, that there is in fact a border dispute.

A European specialist in Chinese-Soviet relations commented, "Nothing essential has changed, it is true, but there is a different atmosphere, which Moscow is cultivating and Peking seems to be enjoying."

Other specialists on the two nations, taking a hard look at the recent developments and their possible implications, make this point: China's basic foreign policy is still aimed at checking "Soviet hegemony," or expansionism, and securing a peaceful international environment for its own development.

On its face, this precludes renewal of the Chinese-Soviet alliance of the 1950s, but not a gradual improvement of state-to-state relations, particularly in such matters as trade, cultural exchanges and perhaps even border disputes.

"We want better relations, definitely," a Chinese diplomat remarked informally the other day, "but we cannot improve them or even discuss them while Soviet troops are in Afghanistan. What's the point? We will consider what can be done on practical matters, like trade, in the meantime, for we want better relations with all our neighbors. That is natural, and it should not worry anyone."

All the recent moves between Moscow and Peking are nonetheless closely linked to the relations of each with Washington, particularly the Soviet-U.S. arms-reduction talks and the Chinese-U.S. discussions over U.S. weapons sales to Taiwan.

Despite its insistence that it will never play a Russia card and in

fact has none, Peking is ready to reap any benefit it can from U.S. concern over a shift in Chinese policy and the impact this would have on the strategic balance of power.

The initiative in this game, however, lies largely with Moscow, which has a policy of "keeping the ball in the Chinese court," as a Soviet diplomat said. "Whenever they reply to one proposal, we come back at them with another," he said. "We hope we can move things forward this way."

Soviet Ambitions

Soviet ambitions seem limited — the start of a dialogue that would ease tensions between the two countries, resolve the prolonged border dispute, increase trade and lead to cultural and scientific exchanges.

"We are not looking for allies, as in the 1950s, and we are prepared for a very gradual, uphill improvement in relations," a Soviet specialist in Chinese affairs said. "If others read more into our proposals than this, let them, but we know the reality."

Neither Chinese nor Soviet specialists see any prospect for early resolution, for example, of the border dispute. Aside from occasional incidents, the 4,500-mile border has been quiet for the past decade following sharp fighting in 1969.

Russian General Gets High Position With Secret Police

Reuters

MOSCOW — Army Gen. Georgii Tsinev, known as an associate of President Leonid I. Brezhnev, has taken over the senior career post in the KGB, the Soviet security police, according to a news report on state television Monday.

Listing members of a government and military delegation attending ceremony, the report described Gen. Tsinev, 74, as first deputy chairman of the Committee for State Security, or KGB.

The head of the KGB is Yuri Andropov, 67, a member of the Communist Party Politburo, but his post is a purely political one; the first deputy chairman handles the day-to-day operations of the KGB and is responsible for fighting political dissent.

Gen. Tsinev, a member of the Central Committee of the Communist Party, was previously a deputy to the man he succeeds, Gen. Semyon Tsvigun, who died in January at the age of 64. The television report was first in which Gen. Tsinev was referred to with the new title.

S. Korea to Probe Bribery Charges

The Associated Press

SEOUL — The National Assembly on Monday appointed a panel to investigate charges that U.S. rice dealers bribed South Korean officials to try to keep them from buying rice from competitors.

The panel, set up by the Economy-Science Committee, will investigate allegations made in an anti-trust suit filed in U.S. District Court in San Francisco earlier this month.

The suit, filed by two California rice-growing groups, said that about \$6 million was paid to the South Korean government's Office of Supply, which handles government purchases, in an effort to keep other rice dealers from selling to South Korea. Officials said an earlier investigation found no evidence of South Korean wrongdoing.

Guard, Three Civilians Flee to West Germany

United Press International

MUNICH — Three East German civilians and a border guard fled to West Germany Sunday in two separate escapes, the Bavarian Interior Ministry said.

The border guard escaped after disarming a fellow sentry. A few hours later, a 32-year-old East German woman escaped into Bavaria over the Czechoslovak border with her 12-year-old son and 21-year-old friend, a ministry spokesman said.

Love's Labor Lost in Third of Soviet Matches

United Press International

MOSCOW — One out of three marriages in the Soviet Union ends in divorce, and people who marry for love have a higher divorce rate, according to Radio Moscow.

"The vast majority of the newlyweds cited love as the motivation behind their decision (to get married)," a program that answers listeners' questions said Sunday. "About 2 percent of the men surveyed and 5 percent of the women admitted that they married because of the high material and financial standing of their future spouses."

According to sociological statistics, every third marriage ends in divorce. The so-called love marriages break up more often," the broadcast said.

It said one-third of the divorces take place in the first year of marriage, and 16 percent occur within three months of the wedding.

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The Freeze Proposal

Growing anxiety about nuclear war has now produced the makings of a popular movement built around a call for a Soviet-American nuclear freeze. The initial reaction of some in and out of the administration is hostile. Instead, it should be, if not accommodating, at least friendly and interested. There are many reasons why this is so. These include not only the self-evident truth that anxiety about nuclear warfare is, to put it mildly, a legitimate emotion, and that to deny the legitimacy of such anxiety is to deny truth. The reasons also include the fact that, as amended over time, the original freeze proposal—whether or not you happen to think it is the answer—has taken on many of the same characteristics and purposes that the administration's arms controllers claim for their own policy.

How does the current proposal, embodied in a congressional joint resolution, resemble the administration's approach? Both start by asserting the danger of nuclear war. Both seek deep cuts. As a method both accept negotiation—"mutual" cuts. Both demand a "verifiable" freeze. Both would strengthen strategic "stability." Surely a good politician would want to welcome the freeze on these grounds. So would a good arms controller.

Of course, a fundamental difference remains. To the freezeers, the source of trouble is the "arms race," a process seen as self-perpetuating and in itself riskier than any particular nuclear configuration. To the administration and many others the source of

trouble is the "Soviet buildup," a particular configuration seen to confer advantage upon the other side. For the one, the remedy is to halt and reverse the "arms race." For the other, it is to match the Soviet buildup, at the least, on the not wholly ridiculous theory that you need something with which to pressure the Soviets to make a deal. The freezeers fear that the administration is pursuing an illusory goal of security through greater strength, masking its own arms buildup with unnegotiable arms control proposals. The administration suspects that the freezeers are incipient unilateralists ready to play on popular impatience and budget pressures to make a flabby and dangerous deal.

Intellectually speaking, no compromise is in sight. But Mr. Reagan would be foolish to let a collision come to pass. It strikes us as unreasonable to expect him to junk his chosen arms control policy. He would look silly and weak changing course even before the single part of his policy so far presented to the Kremlin, in the intermediate nuclear force talks at Geneva, has been tested. And certainly there is much to be said against this freeze plan, even as amended. But he cannot afford to stiff-arm citizens genuinely anxious about nuclear war. He should not want to. He can try harder to convey that he is concerned not merely with being intimidated by the Kremlin but, much more fundamentally, with the continuity of America's and the planet's life as well.

THE WASHINGTON POST.

Orlando the Anecdote

It serves them right. Even if Orlando Tardencillas, the Reagan administration's unreliable Nicaraguan captive-witness, had said what he hoped and expected he would, his testimony would have been worthless for the purposes it had in mind. Certainly it would not have provided the "clincher" evidence his stage managers apparently thought it would. For war stories and personal narratives and individual young soldiers' or bystanders' accounts, no matter what they allege, simply do not rise to the status of proof of anything. They do not begin to make the case the administration needs to make. On the contrary, even when the script is followed they raise suspicions. They may serve as illustrations of a point already established, but in themselves do not only do they not establish anything but they actually tend to invite skepticism. Mr. Tardencillas, in other words, was the equivalent of a living, breathing anecdote.

There, we said the terrible word: anecdote. That is what Sen. Packwood accused Mr. Reagan of habitually offering up in response to and in place of serious argument concerning his economic program. And that is what others have also said the president resorts to when the discussion gets hot. There is some truth to all this; it bears on the Tardencillas affair, and it is important. But no one with a modicum of fairness could discuss it without acknowledging first that the technique is not a monopoly of Mr. Reagan's, never mind how immoderately he employs it. His predecessors have favored a stream of innocent-little-girl anecdotes — from the Lyndon Johnson correspondent who wanted him to settle a railroad strike so she could visit her grandma or something, to Mr. Nixon's Tania, to President Carter's own little daughter whose concern about nuclear weapons proliferation had such force, or at least so he

thought. And whereas the right has its welfare queen stories, so the left has its poor folks living on dogfood.

What all these have in common — and here we get right to the lesson the administration should draw from its ghastly embarrassment by Mr. Tardencillas — is that these little heart-renders and point-provers not only invite the malign attention of the press (justly), they also have damn near spawned a whole cottage industry dedicated to disproving them. Most of these anecdotes have a half-life of about 20 minutes, or until the first press run or the six o'clock news, whichever comes first. The only other real-life, actual, "anecdotal" people who come to mind, in addition to re-defector Tardencillas, are those carefully selected, middle-American folks the Carters liked to drop in on and who from time to time turned out to have some major flakiness or flaw the press would set about uncovering before the president had even had a chance to make his bed and steal away.

When Mr. Reagan points out that the convicted criminal known as Son of Sam gets Social Security payments, you may sigh or gasp. But you, as well as the hotshot reporters who get on the case at once to see if the anecdote is true, also know something else: that even if this is true, it neither establishes nor defines the problems of the Social Security system, which, whatever else they may be, are not that the system is going bankrupt because of payments to people serving terms for multiple murder.

Mr. Tardencillas' tales — after Tale I and Tale II, may there not be a Tale III? — have about the same quality as proof. It was reckless and ridiculous for the administration to have trotted him out in place of serious exposition and argument.

THE WASHINGTON POST.

Canada and U.S. Money

The Canadian campaign against foreign investment has not been going terribly well, and the government now proposes a significant escalation. The specific target is U.S. money in the Canadian oil fields and U.S. control, as Canadians see it, of their resources. Earlier Canadian legislation established special incentives discriminating in favor of Canadian-controlled oil companies. Now a further bill would enable oil companies in Canada to force out foreign — that is, U.S. — shareholders.

Before you leap to one side or the other of this quarrel, you might pause for a moment to reflect that it is not, at bottom, a collision between Canadians and Americans. It is an unresolved and commonly unacknowledged collision between two Canadian traditions. One of them is the nationalist tradition, now ascending in pitch. The other, less well advertised but, stronger, is purely financial and ignores the national boundary. Canadian investors tend, for example, not to put their money into specifically Canadian oil companies but instead to buy shares of Exxon or Mobil and leave it up to them to drill where the prospects are best. Very often, prospects have been best in Canada, and that is why the American companies control more than three-fourths of the Canadian oil and gas industry. Much the same thing has happened

in other industries — automobiles, aircraft and computers, among others.

The result is decided by the Canadian nationalists as a branch-office economy. That is what they want to change. But how? In a country as open as Canada, the government has no way to force its citizens to invest locally. The cycle continues: individuals' investment moving southward to U.S. capital markets, corporate investment moving northward, drawn not only by hot oil prospects but also by a rich market and a superior labor force.

The Canadian government, responding to the nationalists, can and evidently will do a good deal to discourage the northward flow. But the southward flow continues. That helps explain why the Canadian dollar has been falling again recently, and interest rates are even higher than in the United States. The Canadians have been trying, particularly in oil and minerals, to use government-owned corporations to replace U.S. investment. That is a common response to a self-inflicted capital shortage, but hardly a very promising one. The sense of frustration in Ottawa seems to be increasing. Before U.S. companies can come to an accommodation with Canada, Canadians will have to come to an accommodation with themselves.

THE WASHINGTON POST.

March 16: From Our Pages of 75 and 50 Years Ago

1907: Thaw Defense Is Attacked

NEW YORK — March 15 was another day of defeat for the defense in the trial of Mr. Harry Thaw. Not only did the prosecution, by weight and numbers of medical experts, overwhelm the defense's alienist testimony that Mr. Thaw was insane when he killed Mr. Stanford White, but prosecuting attorney Jerome placed Mr. Delmas, for the defense, in such a position that the Hummel affidavit will be admitted in evidence. Mr. Hummel swears that in Evelyn Nesbit's presence he formulated an affidavit to the effect that the story of Mr. White having drugged and wronged her was not true and that Mr. Thaw stripped her nude and lashed her with a whip for refusing to sign a paper making those charges.

1932: Vive l'Horloge Parlante!

PARIS — Telephone operators in the Observatoire de Paris, whose nervous systems have been all but shattered by demands upon their time, emitted loud whoops of relief when the announcement was made that a time-talker, perfected along the same lines as the synchronized film, will perform this task for them. A sample of the telephonists' present troubles: "Allo! The Observatoire? What time is it?" "One moment please... It is 11:37 a.m. and 14 seconds, to be exact. And you're the 26th person to ring us up today asking the time." They keep us busy every minute, saving time, accommodate the public and soothe the operators' nerves.



'Well, How D'You Like This? From the Government of the United States, Greetings ...'

Grisly Analogues in Reagan's Washington

By Philip Geyelin

WASHINGTON — The crazy, mixed-up quality of the Reagan administration's approach to Central America came nicely into focus while the CIA's number-two man, Adnan Bobby Inman, was angrily putting on his slide show of aerial photos in the State Department auditorium to prove that Nicaragua is fast becoming a Cuban-style "Soviet bastion." That same day, the State Department's spokesman, Dean Fischer, was earnestly brooding out loud in the press room about the possibility of "irregularities" in Guatemala's election returns.

Inman was "angry" not so much at the Nicaraguans as at the need, in the land of the free, to justify whatever the administration has in mind for the region — military intervention, "going to the source" — with reasonably persuasive evidence. Still, the admiral's evidence was arguable. Fischer's stern demand for prompt assurance that the ballots in Guatemala be "fully and accurately counted," on the other hand, was merely laughable.

But not in Guatemala. A Guatemalan listening to the handpicked candidate of the bloody-minded military government, Gen. Angel Guevara, as he claimed to have "won these elections freely and cleanly through hard work," could die laughing.

"I am going to defend my triumph in the streets, if necessary," the general said, and you better believe him. He is a former minister of defense. The Defense Ministry, according to Amnesty International, helps draw up the "death lists" that have given the Guatemalan government its well-earned reputation as perhaps the hemisphere's most murderous. In their quarter century of military rule, Guatemalan "security forces" have slaughtered tens of thousands of opponents,

suspected dissidents and innocents. The government has weathered two leftist insurrections. It is now wracked by a third, and Assistant Secretary of State Tom Enders, in charge of hemisphere affairs, has rated Guatemala as "ultimately the chief target for Cuba and the Soviet Union" in Central America. But its criminal human rights record has disqualified it for U.S. support even by the Reagan administration's permissive standards — beyond several million dollars worth of jeeps and trucks.

So what was being laid on us at the State Department last week was a pretty grisly catalog of analogues. First, Nicaragua is seen to be shaping up as "another Cuba" — only worse. "This time the ocean barriers aren't there," said Inman. "They can move more easily into Central American countries."

Second, we see a supposedly irrefutable Soviet-Cuban-Nicaraguan connection with the insurgency in El Salvador, which could turn that country into yet "another Cuba" — only worse. It, too, is on the mainland, abutting not only Honduras but Guatemala. Meantime, to congressional critics and a lot of other people, El Salvador already looks all too spookily like "another Vietnam."

And finally, in Guatemala, "another El Salvador" — only worse on two counts. First, it is the biggest country in Central America, the most populous, with heavy U.S. investment; it has oil, it borders on Mexico, which has a whole lot of oil and borders on the United States. Second, the new government, whose "election" will presumably be rubber-stamped by the Guatemalan Congress, offers scant promise of the change of heart on

human rights that would qualify it for U.S. backing, Salvadoran style.

Even if the administration would find some pretext, Congress, which is already sour enough on aid to El Salvador, would almost certainly resist. So where are we, analogues-wise: Another Cuba or two, another El Salvador, another Viet...? Eureka! We may just have stumbled on one Vietnam-era analogue in all this that even the administration cannot reject: the compulsion of crisis managers, then as now, to deal in the shorthand of ill-fitting and often unfilled analogies.

Assessing another Munich. If it didn't "draw the line," Dwight D. Eisenhower's "dominoes" would fall. As variously identified, they came to include not just the rest of Indochina (Laos and Cambodia), which did fall, but a long row that did not: Thailand, Burma, the Philippines, Indonesia, Australia. (Lyndon B. Johnson threw in Honolulu.)

The "domino theory," in short, is not a reliable analogy. In the grim way the Reagan administration is now applying it to Central America, it invites another clutch of analogues close to hand but no more reliable: "Another Cuban missile crisis" or perhaps "Another Bay of Pigs?"

A sounder approach might be one for which no analogy comes to mind. You could begin by asking why, if neighboring Mexico is the ultimate "domino," it wants no part of the administration's policy? If Ronald Reagan is serious about ruling out "brute force," as he has said he is, his best hope almost certainly lies in less theater in the State Department auditorium and more strenuous and accommodating diplomatic efforts — in concert with the Mexicans.

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Exile for Another Generation of Polish Patriots

By Leopold Unger

BRUSSELS — The day after his return from Moscow, where he promised earlier this month to "tear out the roots of counterrevolution in Poland," Gen. Wojciech Jaruzelski got down to work. The Polish military government has officially offered one-way exit papers to all union militants and intellectuals detained since the putsch last Dec. 13.

The idea of voluntary exile to the West is not new: it has been with Communist regimes from the start. Lenin expelled a boatload of dissident intellectuals. Stalin got rid of Trotsky this way, although he more often made use of the Siberian gulag. Brezhnev's most famous dissident-in-exile is Alexander Solzhenitsyn.

The satellite countries imitated big brother. Wolf Liebermann, an East German, Pavel Kohout, a Czechoslovak, and Paul Goma, a Romanian, were expelled on the theory that the danger of a dissident lessens with distance.

In Poland, Wladyslaw Gombrowicz followed up a wave of anti-Semitism in 1968 by inviting the Jews who remained to emigrate. But Poland

simplified and modernized the method. While persons expelled by other Communist regimes were deprived of their nationalities after they settled in a Western country, Polish exiles had to request "denaturalization" before leaving. This made it possible to deprive them of their material possessions in Poland and send them away with a single sheet of paper saying only that "the person named on this document is not of Polish nationality."

The present exile campaign is no surprise. On Jan. 5, Gen. Jaruzelski suggested to the ambassadors of the EEC countries that those countries agree to admit a number of Poles.

The West will not refuse to admit Polish victims of dictatorship. But in helping Gen. Jaruzelski to get rid of his dissidents, it will be playing a role in Poland's "normalization." Perhaps the best that the West can do is facilitate concentration of the exiles.

Other generations of Poles have had their

waves of exiles, who were often a boon for the country. The concentration of Polish émigrés in Paris saved the nation's culture and national memory in the 19th century, when Poland was wiped off the map of Europe. The Polish government in exile in London during World War II directed the widespread participation of Polish forces on the side of the Allies.

Paris has been the haven of Kultura, the publishing house set up by Polish exiles after the war, which has protected the principal elements of Polish culture from being smothered by Communists in civilian dress or in uniform. The new wave of exiles should get the same opportunity to stay together and create a community that would protect the ideas for which they struggled in Poland.

It is not yet clear how many of the 6,000 detained dissidents will go into exile. Those sent to the West should be given a chance to speak to the people who have remained behind and who need to hear their voice.

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Looking to the Day When Iran Blows Its Lid

By William Safire

WASHINGTON — When Ayatollah Khomeini dies and the lid blows off in Iran, the Soviet Union will be in a position to take control. All evidence points to this Russian intent to penetrate Persia.

The success of the plan would mark the greatest shift in the balance of power in this generation, and the worst foreign policy failure of the Reagan administration.

At the top, the Soviets have managed to persuade the ayatollah that his best protection comes from KGB professionals. As a result, anti-Soviet propaganda has stopped while anti-American propaganda continues, and little goes on in the inner circle that is not known to Moscow.

The 200-man Soviet Embassy in Tehran is a hotbed of KGB activity. The key mullahs have Soviet agents assigned to them for day-to-day guidance in the operation of the chaos that is the revolutionary government. Little by little, these middle-level "advisers" have given the Kremlin influence among the would-be successors to the regime's sinking leader.

Members of the Communist Tudeh party have been making significant headway in the bureaucracy.

Russian operatives have been wooing the Kurdish minority. Soviet arms have been supplied to help the ayatollah's troops stand off the invading Iraqis, even as the Soviet Army has been building up its strength along the Iranian border.

To the question "What is to be done?" after the Shah's overthrow and the hostage humiliation of America, the answer is: Plenty. Bad enough that a former U.S. ally is in bloody chaos, its 40 million people thrust back into the Middle Ages. But for the key country in the energy center of the world to fall into Soviet hands would be a strategic disaster.

What can be done? If the United States exhibits such anguish in protecting Central America from Soviet penetration, how can it hope to influence events unfolding half a world away?

America is not helpless; it need not resign itself to the despairing notion that the Iranian people must choose between religious despotism and Communist domination. The anarchy prevailing today may be the Iranians' business, but the Soviet expansionism in the works is America's business.

When the big blowup comes, as it surely will, the United States should have its bets down on the forces that will resist the Russian fifth column. These need not be openly pro-American; they must be genuinely anti-Communist.

As Leslie Gelb of The New York Times has revealed (JHT, March 8 and 9), the United States

is covertly helping to finance two Iranian paramilitary forces now in training in Turkey. Good; may that tribe increase.

But some 10,000 Iranians on the outside are not going to avert the Communists' post-Khomeini coup. One hopes that friends of the United States are in contact with those Khomeini followers who are resentful of the sellout of their revolution to the traditional enemy to the east. Logic also suggests that America should encourage support of the valiant Kurds, as well as the leftist but non-Communist mujahidin on the ramparts of the counterrevolution.

Another obvious avenue is the military, which the mullahs keep busy fighting the Iraqis; that war has not been settled because Khomeini understandably does not want the military back home. Winning could mean losing.

The reason the armed forces have no supreme command or winning strategy is that the mullahs want no general to emerge a hero, and have kept military command down at the regimental level. Decapitated and subdivided, the armed forces have been supine during the reign of terror, but the right's paralysis need not continue during a push by the left.

If the CIA is not actively and effectively pursuing these paths, America ought to fold up its intelligence service and hire a clipping service. Lack of universal enthusiasm for covert operations will be no excuse for the spooks responsible if the Russians triumph.

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When Eyes Turn Away In Israel

By Anthony Lewis

JERUSALEM — Ory Bernstein, an Israeli poet and lawyer, urged his countrymen recently to do what in fact few of them do: face the reality of military rule in the occupied territories. They should stop averting their eyes, he said, from the way Israel deals with the Arab inhabitants of the West Bank and Gaza.

Bernstein made the point in an article about book banning in the occupied territories. He gave extraordinary examples of books that the military authorities have banned at various times.

Shakespeare's "Merchant of Venice" in Arabic translation has been on the list. That can presumably be explained by the character of Shylock. But it is a little hard to understand why the authorities should have prohibited Orwell's "1984." Even more mysterious is the banning of "The Soviet Union in the Middle East" by Walter Laqueur, a critic of Communism who has also written powerfully about the world's failure to rescue Jews from the Holocaust.

Altogether, more than 2,000 books have been on the occupation index. A long list was presented by the chief military censor in 1976, with supplements up to last October. All are based on the authority of the British Defense Emergency Regulations of 1945 for mandatory Palestine, which Israel has never repealed.

Dryden

A curious feature of the list — an Orwellian feature, one might say — is that it is not generally published. Someone may be prosecuted for possessing a book that he did not know was prohibited. West Bank universities negotiate with the military command over what books they may buy, yet even some approved books are usually seized when the shipments arrive.

Most of the banned books relate in one way or another to Palestinian nationalism or to Jewish or Communist history. But there are titles by Arab writers that experts say must have been included because of ignorance of their character, including works by Egyptian writers who have been advocates of peace with Israel, Tawfik El Hakim and Naguib Mahfouz.

Another oddity on the list is a book of Dryden's poems in Arabic translation. Amos Elon, columnist for the Israeli newspaper Haaretz, wrote sarcastically that perhaps the authorities objected to these lines from "Absalom and Achitophel," a poem in which Dryden satirized a 17th-century British, as in mock-biblical terms: "And when the chosen people grow more strong, The righteous cause at length became the wrong."

But censorship in the occupied territories touches on a deeper point, and it was made by Bernstein. That is the general failure of Israelis to let themselves see what is happening on the West Bank.

7 1/2 Years

"We have always bitterly complained," Bernstein wrote, "at the complacency of those who looked the other way when we were persecuted throughout the centuries, and have been proud of those who who knew — and protested. Here, too, those of us who want to know, know — and the complacent majority looks aside."

There are aspects of occupation policy far harsher and less absurd than the book banning, yet they get little notice, even among many politically conscious Israelis.

Recently a Palestinian was released from prison after being detained without trial for seven and a half years. Ali Jamil was suspected of complicity in a murder but was held without charges, without trial. The Jerusalem Post blandly put it, "Security forces could not produce enough evidence to convict him before a court." The military government finally let him go when faced with a court proceeding — and then ordered Jamil confined to his town of residence.

Numbers of Arab boys aged 14 and up have been arrested, detained in jail for months without charge and questioned in what those who have got out say are abusive terms. David Shipler of The New York Times told about the practice in a carefully documented story last month. My guess is that not one Israeli in a thousand knows — allows himself to know — that such things go on.

If someone were detained without charges for seven and a half years in South Africa, Israelis would see the evil. Only a few — there is a concerned minority — are prepared to see it when it occurs under their occupation of the West Bank and Gaza. Indeed, when anyone points such things out, he is likely to run into cries of defensive outrage.

Israel lives in circumstances of danger, historical and present. But they are not an excuse for folly or harshness in the treatment of a conquered people. To the contrary, those who allow their representatives to impose such treatment and who turn their faces away from its reality risk their own souls, in Israel or elsewhere.

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China Party Urges More Dismissals

Cites Corrupt Aides, Indicates New Purge

PEKING — The Chinese Communist Party newspaper, People's Daily, called Monday for further dismissals of corrupt party officials. It also indicated that a purge of remaining extreme leftists was being planned.

The paper placed importance on ensuring that middle-ranking and senior party officials be incorruptible and called for the formation of a core group of between 10,000 and 20,000 persons to set an example for other members.

China recently began to arrest many senior officials on corruption charges, often in connection with smuggled luxury goods from Hong Kong.

Foreign Influence Cited

People's Daily said Monday: "The influence of decadent capitalist ideology, remnant feudal ideology and the fawning mentality of seeking a foreign way of life is more serious now than it has been at most times since new China was founded (in 1949)."

The paper said that foreign influence and that of the radical and now imprisoned Gang of Four threatened to undermine the authority of the Communist Party, but added: "The biggest danger comes from no other direction than from the corruption of wavering elements inside our party."

The paper indicated in a separate report on the expulsion of an extreme leftist former prison governor that a purge of radicals was being planned. It said the governor, Yu Wenxue, had been expelled from the party because of a conversation he had with a prisoner last March in which he asserted that Jiang Qing, Mao's widow and leader of the radical Gang of Four, had been able to defend herself properly at her trial a few weeks before.

The expulsion of Mr. Yu followed an article by Zhang Yun, a member of the powerful party disciplinary committee, calling for the removal of remaining leftists.

Diplomatic sources said the report indicated that more radicals would be purged from leading positions as part of the continuing campaign of the deputy party chairman, Deng Xiaoping, to eradicate leftist influence.

The paper said Mr. Yu climbed to power during the Cultural Revolution of 1966-76, when the influence of the Gang of Four was at its height, but that he was dismissed from his posts and punished in 1978. The decision to expel him was made by the party disciplinary committee of the northern province of Henan, where Mr. Yu took a position of authority.

Van Agt Visiting Malaysia

KUALA LUMPUR — Premier Anwar Ibrahim said Monday that a two-day official visit to strengthen political and economic ties with Malaysia.



Imelda Marcos: 'I have never had any political ambitions.'

Mrs. Marcos Disavows Succession Hopes

MANILA — Imelda Marcos, the wife of President Ferdinand E. Marcos, said Monday that she hoped to leave her official posts when her husband steps down as president, and declared that she could serve the Philippine people better without a formal role.

She also defended herself against frequent charges of lavish spending on pet projects in her positions as first lady, human settlements minister and governor of metropolitan Manila. "No matter how extravagant the first lady is," she said, "she cannot be extravagant enough for 48 million Filipinos."

Mrs. Marcos, 52, answering questions at a foreign correspondents' luncheon, said: "I have never had any political ambitions. I hope my role will be coterminous to that of the president. When the president steps down, I hope to step down with him."

But she dismissed persistent rumors about the 64-year-old president's health and said she could see no reason why he should not complete the six-year term he won in last June's presidential elections.

Mrs. Marcos has been mentioned frequently as a possible successor to her husband. But she said Monday that he would oppose such a step and that even if there were popular support for appointing her, "I do hope the Filipino people will respect my position and understand I will be of better service to them without a position."

She asked foreign correspondents to be more understanding toward developing countries such as the Philippines. These countries already suffer from

protectionism and low world prices for commodities, she said, and then are robbed of "our credibility, of our dignity as a people."

"The developing countries are really crying for fair treatment from developed countries," she said. "We have nothing left but to be angry. It is a matter of survival."

Mrs. Marcos declined to discuss the secret U.S. marriage of her daughter Imee and sportsman Tommy Manotoc, who disappeared in the Philippines after the Dec. 4 marriage and reappeared more than 40 days later saying he had been kidnapped by Communist guerrillas.

"I am happy that Mr. Manotoc is back, but I think that it's a closed issue, a private issue," she said.

Pollution, Deforestation Threaten Asia, UN Official Says

BANGKOK — Increasing pollution and the rapid pace of deforestation threaten to wipe out Asia's natural resources, a senior UN official said Monday.

Shah Kibria, executive secretary of the UN Economic and Social

Commission for Asia and the Pacific, said at a seminar in Bangkok that deforestation, the spread of deserts and damage to marine life were increasing faster than ever.

Malaysia, the Philippines, Sri Lanka and Thailand are suffering particularly from deforestation,

Mr. Kibria said. "One estimate is that the region will lose 70 percent of its forests by the year 2000 unless appropriate long-term measures are taken now," he said.

By 2000, Asia will need 54 million metric tons of fish a year, compared with 30 million now, yet fish are being killed by the dumping of toxic chemicals and domestic waste, he noted.

The lives of about 970 million poor people in Asia are threatened by malnutrition as well as soil-borne diseases and air pollution, particularly in big cities, Mr. Kibria said at the seminar organized by his commission, the Press Foundation of Asia and the UN Environment Program.

U.S. Consulate Firebombed

BORDEAUX — A firebomb was thrown into the U.S. Consulate-General here Sunday night, causing minor damage in one room, the police reported. No organization immediately claimed responsibility for the attack.

China, Taiwan, Japan Covet a Group of Islets

By Henry Scott Stokes

New York Times Service

NAHA, Okinawa — Until the late 19th century, when Japan took over, this city was the capital of an independent kingdom, owing distant allegiance to China.

"The island kingdom didn't know exactly what islands belonged to it," said Dr. Mikio Higa, deputy governor of Okinawa prefecture and a local historian.

This is the background to a territorial dispute between China, Taiwan and Japan over a small group of uninhabited islets 300 miles southwest of here and 80 miles from Taiwan.

To the Japanese, they are the Senkakus; to the Chinese, the Diaoyu Islands. They are in an area that may have "one of the largest oil and gas reservoirs in the world," a United Nations survey said in 1968.

Entire Area

Since then, there has been keen interest here and in China and Taiwan over the oil prospects. But so far the entire area around the Senkakus and far to their north on China's wide continental shelf has been untested by the drill, because the dispute has been unresolved.

For Japan the stake is large because the country has virtually no domestic sources of oil and needs to diversify its sources of supply to stable ones outside the Middle East. China wants to develop its offshore oil with help from Japanese and Western capital and technology, to supply scarce foreign exchange for Peking.

Each is said to be quietly testing out the other in the Senkakus.

Early in 1979, for example, Japan built a helicopter landing pad on Uotsujima, which has a seven-mile coastline and is the largest of the four islands in the Senkaku group. It was constructed by Japan's Maritime Safety Agency, a lightly armed coast guard unit, which keeps a 24-hour watch on the islands.

For years the Japanese refrained from drilling or even surveying in the Senkaku region in deference to Chinese sensibilities. But last year, Teikoku Oil, a Tokyo-based company, sank a wildcat well off Miyakojima, an island near the western end of the Ryukyu chain and about 120 miles southeast of the Senkakus. The results have not been made public.

Government Survey

Last summer the Chinese announced a first comprehensive survey of the continental shelf, and late in the year Japanese coast guardsmen found that a Chinese oil survey vessel had penetrated close to the Senkakus. China withdrew the vessel in response to a request from Japan. (Last month, the Chinese announced that they were opening nearly 58,000 square miles of waters on the continental shelf for eventual oil exploration and production by foreign countries.)

Japan's claim to the Senkaku Islands began after the seizure in 1879 of the kingdom of Okinawa. A Naha resident named Tetsuro Koga started to explore the islands in 1884, and a government survey was carried out the next year. In 1895 the Senkakus were made part of Okinawa prefecture, which has Naha as its capital.

In the following year the government leased the barren islands to Mr. Koga for 30 years free of charge. It eventually gave them to his son, Zenji Koga, in 1932, believing them without value. The Koga family finally sold the islands a few years ago to Kuniki Kurihara, a wealthy businessman who lives in the Tokyo area.

The Chinese, so far as can be determined, took no historical interest in the Senkakus.

"Under existing international law, the Senkakus are Japanese territory," said Tsunenobu Omiya, an Okinawa businessman who holds mining rights from Japan for a concession 30 miles wide and 130 miles long extending north from the Senkakus. He said that the Chinese did not make their first

claim to the territory until after the results of the UN survey were announced.

Dr. Higa, the deputy governor here, said that "we hope to develop these islands." It is generally believed that Japan and China will agree on a joint oil development zone, similar to one established by Japan and South Korea in 1974.

Seoul Pressed on Fate of Dissident

By Henry Scott Stokes

New York Times Service

SEOUL — President Chun Doo Hwan of South Korea is under steady pressure from the United States, Japan and France to show a more lenient attitude toward political prisoners, according to diplomats and South Korean dissident sources.

The U.S. ambassador, Richard L. Walker, told church leaders privately last week that the Reagan administration was doing its best by "quiet diplomacy" to obtain relief for the estimated 400 political prisoners, though it would be counterproductive to press Mr. Chun publicly, the dissidents said.

In Japan, leftist opposition parties are preparing to raise the issue of the 1980 conviction of Kim Dae Jung on sedition charges when the parliament considers a multibillion-dollar economic aid package for South Korea.

In France, the Socialist administration of President Francois Mitterrand has told the South Koreans that a proposed state visit to Paris by Mr. Chun will not be feasible if Mr. Kim is not released or if his 20-year prison sentence is not reduced from life to 20 years earlier this month.

Whether the pressure on Mr. Chun will have a result is uncertain, diplomats said, but the political situation in Japan this summer is considered important. The thrust of Socialist and Communist criticism of the aid package, reported to be worth at least \$1.3 billion, is likely to be that Mr. Kim was jailed in defiance of a 1974 "political settlement" between Japan and South Korea.

The settlement followed Mr. Kim's abduction from Tokyo to Seoul by the South Korean Central Intelligence Agency in 1973. The agreement said the opposition leader would not be prosecuted in Seoul for certain political activities.

The continued pressure on Mr. Chun over political prisoners is a sign that a March 3 amnesty to mark the first anniversary of Presi-

dent Chun's inauguration was apparently made little or no impression overseas.

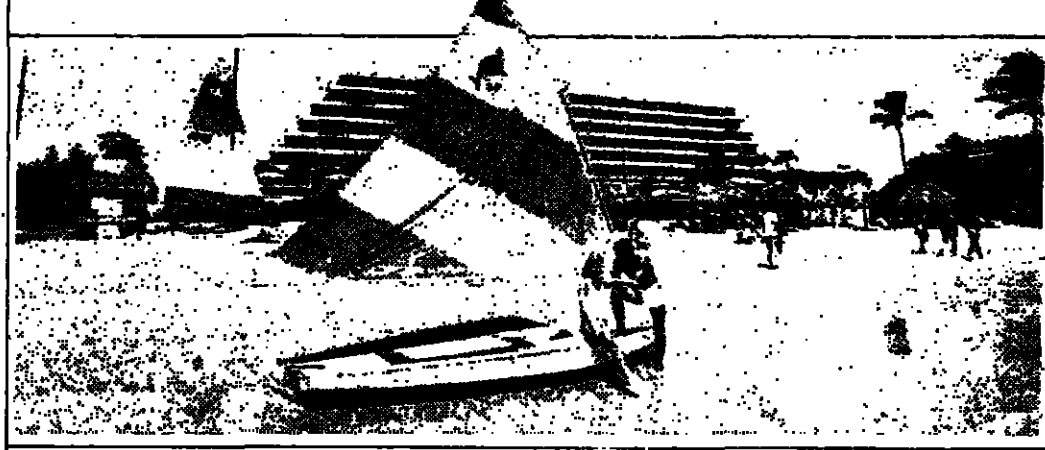
The amnesty was announced with much fanfare, but it was learned later that almost all the 2,836 prisoners affected by the amnesty were either common criminals or others who had already been freed before the amnesty. Mr. Kim's sentence was reduced under the amnesty.

Lee Hi Ho, Mr. Kim's wife, said in an interview at her home that only 15 political offenders were released March 3 and that eight of these had been in jail since 1974, six years before Mr. Chun seized power as leader of a military junta in May, 1980.

Mrs. Lee, who uses her maiden name following Korean practice, said her husband was in bad health, suffering from pains in his neck, back, shoulders and legs, and from a buzzing in his ears.

She said the prison authorities so far refused to permit medical treatment of Mr. Kim.

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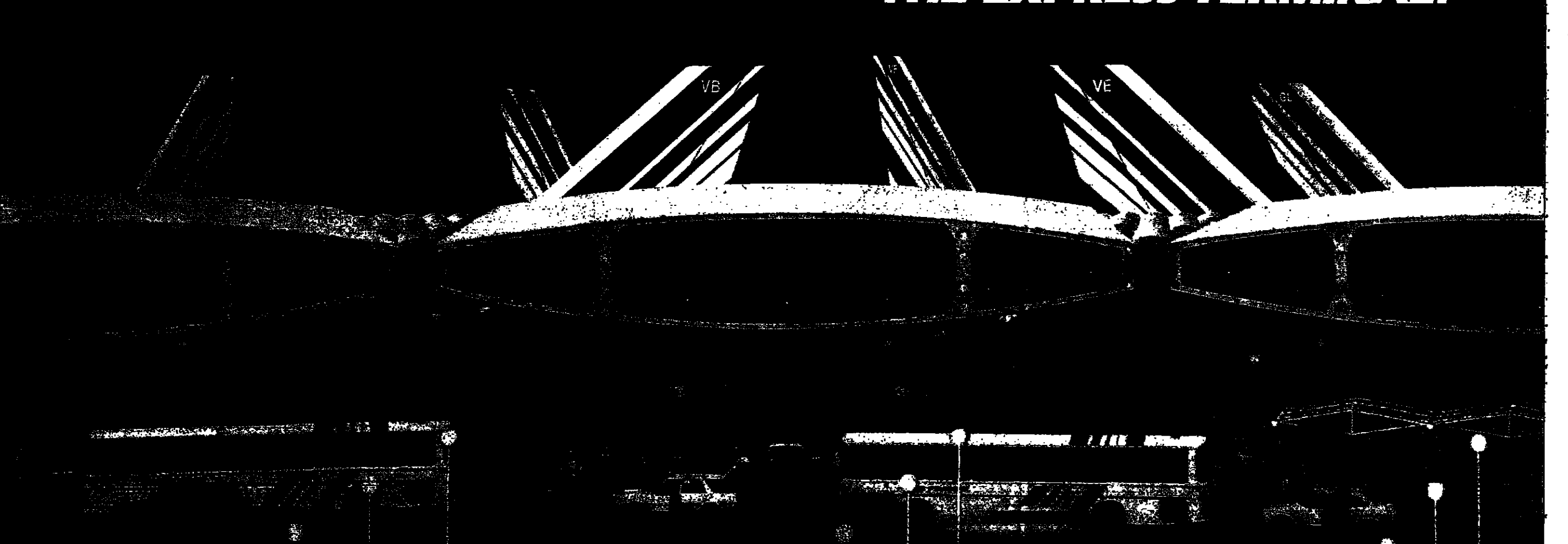
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Oil Wealth Changing Cameroon Despite Bid to Minimize Its Impact

By Alan Cowell
New York Times Service

YAOUNDE, Cameroon — President Ahmadou Ahidjo is building himself a palace here, breaking a 20-year tradition of aversion to the kind of prestige projects that are part of Africa's landscape, and there are other signs of change in the country.

The inflation rate, for instance, is nudging upward, and so is military spending; increasingly, young people are heading for the cities, away from the farms that form the spine of an economy known as one of Africa's success stories; roads are being built so that central Yaoundé looks like a big, mud-colored construction site; corruption and crime are reportedly on the increase.

The driving force behind the slow transformation is oil, despite a determined campaign by President Ahidjo to minimize its impact, and despite official secrecy about the value of Cameroon's newly found offshore fields.

\$200 Million From Oil

Last year, according to a Western diplomatic source, oil brought in about \$200 million for the government, but none of it showed up overtly in the national budget or in the latest development plan. At present, the diplomat said, production is running at around 95,000 barrels a day.

With more wells coming into use, Cameroon's oil output, which virtually covers domestic needs now, should quadruple by the end of 1982. The figures are all approx-

imations because the authorities do not, Western diplomats say, reveal definite statistics.

The characteristic reticence is a result of the president's desire to ensure that Cameroon does not, like its neighbors Gabon and Nigeria, become intoxicated with the giddy wealth of petrodollars and suffer the agricultural neglect and mushrooming urban growth that have afflicted other African oil producers.

"Cameroon already had a triple-A credit rating before oil was

3 Ex-Legislators Held in Surinam Over Coup Attempt

The Associated Press

PARAMARIBO, Surinam — Three former members of the parliament have been arrested in connection with last week's coup attempt against the left-leaning military regime, an army officer reported.

Lt. Ramon Abrahams identified the former legislators as N. Mahacwising, a leader of the United Progressive Party, the country's largest political organization, and Salam Somohareo and S. Rasam, both members of ethnic Indonesian parties. All three were arrested on Sunday.

Lt. Abrahams said that police are searching for a fourth politician, Baal Umrasing, also a leader of the United Progressive Party, for conspiring with rebel army units to overthrow Lt. Col. Daysi Bouterse's government.

Lt. Surendre Rambocus, one of the rebel leaders, was still at large Sunday after fleeing with some of his followers Friday when loyal troops took over the Memre Botoe barracks, which had been held by the insurgents. The other rebel leader, Sgt. Maj. Wilfred Hawker, was executed on Saturday morning. He had been wounded and captured the day after the coup was attempted on Thursday.

Lt. Abrahams said the arrested politicians told authorities that all of the nation's top military leaders were to have been killed on March 7, during a church ceremony marking the start of the Hindu new year. The plan fell through when the military leaders declined invitations to the ceremony, Lt. Abrahams said. Then 30 persons, both civilian and military, met and made a pact to undertake a coup, he said.

Elephant Gores Trainer

United Press International

KANSAS CITY — A 9,000-pound (4,099-kilogram) African bull elephant being put through its paces charged and gored its trainer, driving his tusk into the trainer's arm and side, a Kansas City Zoo official said.

found," a Western banker said. "It feeds itself. The president has made it clear time and again that agriculture will remain the base of the economy, not oil. The oil money started coming in at a time of low commodity prices, so it was a windfall."

Cameroon's success as an agricultural producer is attributed by many analysts to an official policy of maintaining high prices for farmers' produce and avoiding the bias toward urban consumers that the World Bank in particular sees as a critical flaw in many African economies.

Agriculture earns half the country's export revenues and employs 70 percent of the active labor force. Food, cocoa, coffee and timber are exported.

The result is what seems to be a booming economy. In the markets surrounding main cities such as Yaoundé, the seat of government, and Douala, the commercial capital, pineapples, vegetables, yams, clothes, perfumes and cooked delicacies are on display in profusion.

Yet there are signs of strain associated with oil. "The petroleum money goes to the fat cats at the top — we don't see any benefit from it," said a man who lives in one of Douala's sprawling shanties. He also cited the attraction of rural people to the city and the strain due to the lack of jobs for them "because they've heard about the oil."

According to one Western estimate, only 200,000 of Douala's 700,000 residents live in comfort. Of Cameroon's eight million people, about 25 percent live in the cities and towns but in the next 20 years this proportion could double.

A further oil-associated problem is, according to Western diplomats, corruption. "There's a lot of oil money to be skimmed off," one Westerner said, "and the president doesn't allow people to stay in powerful jobs for too long, so the temptation is to make hay while the sun shines."

"In Cameroon, you do not go in a straight line to get to your goal," said a Cameroonian alluding to a necessity for payoffs to get something done.

Mr. Ahidjo, described by one Western diplomat as a "benevolent dictator," presides over the country with a government that keeps real power within the closed circle of his senior advisers and uses ministries as a means of balancing Cameroon's competing ethnic and religious groups.

"Ahidjo has run a pretty tight government, he hasn't gone in for profligate spending and he's won for his country a reputation for economic growth and political stability," said a Western diplomat.

"If he wants to build himself a new palace now, why shouldn't he?" But a Cameroonian resident, requesting anonymity, said: "The palace will cause resentments. It is being built with oil money that is not going to the people."



Fred Wendorf, a member of the U.S. expedition in Cairo, holding part of the head of the sediment-encased skeleton.

U.S. Team in Egypt Finds Skeleton Believed to Be 60,000 Years Old

The Associated Press

CAIRO — A U.S. expedition has unearthed the skeleton of a prehistoric human estimated to be 60,000 to 80,000 years old — a possible contemporary of Neanderthal man.

The discovery was made by a group from Southern Methodist University that was excavating near Aswan, 600 miles (982 kilometers) south of Cairo, the Egyptian Antiquities Organization said.

"The skeleton appears to be as old as Neanderthal man and the discovery will have important repercussions on anthropological concepts about prehistoric man," the announcement said.

Fred Wendorf, a member of the expedition from the Dallas University, said the group found the skeleton "by pure accident" about a month ago.

"We were excavating the ancient sites around Aswan in the hope of finding remains of people who lived there once," he said.

"In fact we did not dream of anything over 20,000 years old," Prof. Wendorf said the skeleton was encased in sedimentary rock.

250 Reported Held by Uganda Forces

Reuters

NAIROBI — Ugandan security forces on Monday arrested about 250 persons in an apparent crackdown on anti-government guerrilla activity, diplomats said.

Additionally, the sources said police and soldiers rounded up an

estimated 2,000 people in western Kampala to check tax receipts and later looted homes left vacant during the roundup. The diplomats, contacted by telephone, said Andrew Ssemugaba, a member of the opposition Democratic Party, was arrested at his home and taken away for questioning.

The military sweep took place not far from an area where 300 guerrillas attacked Kampala's main military barracks last month in some of the heaviest fighting since Idi Amin was deposed in 1979.

12th Body Found in Alps

The Associated Press

GRENOBLE, France — Rescue workers found the body of a 12th missing skier Monday morning, bringing to 12 the number killed in Sunday's series of avalanches in the Alps.

Disputes on Invention, Old Killing Revive Opposition to Begin's Rule

By William Claiborne

Washington Post Service

JERUSALEM — Embarrassing disclosures about a supposedly revolutionary new "energy machine" developed by the Israeli economics minister and the reopening of an official inquiry into the murder of a prominent Labor Zionist leader nearly 50 years ago have combined to generate new domestic controversy within Israel at a time when the country already is on edge over the impending return of the final third of the Sinai to Egypt.

Neither of the two brouhahas is likely to bring down Prime Minister Menachem Begin's Likud government, despite its razor-thin majority in the parliament. But together they have led to a new rancor that has underscored the political and ideological divide within the country.

The collapse of high expectations for Economic Minister Yacov Meridor's energy device has put to a severe test Mr. Begin's personal loyalty to Mr. Meridor, whose support of Mr. Begin led in 1942 to the latter's control of the Irgun Zvai Leumi guerrilla group and propelled him into the leadership of the rightist revisionist Zionists.

Meanwhile, Mr. Begin's decision to create a state commission of inquiry in an attempt to erase what he termed a "blood libel" against three members of the revisionist movement who were acquitted of a 1933 killing has rekindled some of the deep mistrust that long existed between mainstream Labor Zionists and the revisionists.

Mr. Meridor, a gregarious entrepreneur who has been Mr. Begin's most trusted ally on the Cabinet since taking over the economics portfolio last year, was reportedly on the brink of resignation after it was disclosed that the inventor of the energy device he has been backing was convicted of impersonation in 1974. Also, independent physicists said the machine has limited practical value.

During last year's election campaign, Mr. Meridor announced that he had discovered a device "as revolutionary as the invention of the wheel." Offering no details, he claimed that with the energy needed for one light bulb, his device could light the entire Tel Aviv suburb of Ramat Gan.

Mr. Meridor said he could not reveal the identity of his inventor because the big oil companies had a contract out to eliminate the man.

On Friday, the minister finally displayed his energy machine on Israeli television. The device, which looks like an outsize espresso coffee machine, was said by several Israeli physicists who examined it to be based on low-temperature energy generating principles involving the use of water and ammonia.

Israel Dostrovsky, head of the research center of the Weizman Institute, said the system does not appear to be practical for the high-temperature turbines needed to produce electricity. Other scientists said they doubted the Meridor prototype could be scaled up to industrial size.

Israeli radio reporters then tracked down the elusive inventor, who turned out to be Daniel Berman, 47. It developed that Mr. Berman received a suspended prison sentence in 1974 after being convicted of impersonating a police officer and that he had been presented on charges of posing as an expert film archivist.

Mr. Meridor was scheduled to defend his energy project in a speech Monday before the Knesset, Israel's parliament, but, though denying that he was considering resigning from the government, he canceled his appearance.

Opposition Labor Party members of the Knesset immediately demanded an investigation.

There was another furor in the Knesset over the Cabinet's decision Sunday to create a state commission, appointed by the Supreme Court, to look into the 1933 slaying of Chaim Arlosoroff, the leading figure in the Labor Zionist movement.

Mr. Arlosoroff was shot to death on a Tel Aviv beach at a time of intense rivalry between the mainstream Labor Zionists and the revisionists. Three revisionist activists were acquitted of the murder by a British Palestinian court.

The case is the subject of a recently published book, "The Murder of Arlosoroff," which underlines long-held opinions that the revisionist movement was behind the killing, despite the acquittals.

In the Cabinet debate, Religious Affairs Minister Yosef Burg argued that an inquiry would further divide a country already tense over the withdrawal of Israeli settlers from Sinai. But Mr. Begin said the inquiry was necessary to confront a "blood libel against a great Zionist movement."

Labor Party leader Shimon Peres called the Cabinet decision an "attempt to rewrite history," while Labor member Abba Eban said the question is "not who murdered Arlosoroff, but when this country will recover its sanity."

Mr. Eban said the government would do well to find out first who planted bombs in the cars of two West Bank Arab mayors, who were crippled by the blasts, a crime believed to have been committed by ultranationalist Israeli settlers.

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Dean Jagger, Jayne Mansfield, Yvette Mimieux, Dorothy Malone and Ellen Burstyn.

From Agency Dispatches

WASHINGTON — Felix Morley, 88, editor of the editorial page of The Washington Post from 1933 to 1940, died Saturday of cancer. He won a Pulitzer Prize in 1936 for his editorials.

A former Rhodes scholar and World War I ambulance driver, he was president of Haverford College from 1940 to 1945, then returned to journalism, working as a Washington correspondent for Barron's Weekly until he retired in 1954. Mr. Morley's older brother was Christopher Morley, the poet, novelist and essayist, who died in 1957.

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Some of Morgan's New York-based specialists who help international companies in the U.S. market. From left, Theo Roell, Lauretta Bruno, Vincent Steck, Julie Blake, Gildas Lecomte du Nouy, William Holding, who heads the group, and Regnier Haeghelsteen.

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	12 months 6 months 3 months				12 months 6 months 3 months				12 months 6 months 3 months					
Aden (air)	\$	330.00	165.00	92.00	Greece (air)	Dc	2,300.00	1,600.00	1,800.00	Poland (air)	\$	330.00	165.00	92.00
Algeria (air)	\$	330.00	165.00	92.00	Hungary (air)		2,700.00	1,150.00	63.00	Pakistan (air)	\$	230.00	115.00	63.00
Algeria, ex-Fr. Comm. (air)	\$	230.00	115.00	63.00	India (air)	\$	240.00	134.00	69.00	Peru, French (air)	\$	240.00	120.00	63.00
Algeria, ex-Fr. Comm. (air)	\$	230.00	115.00	63.00	Indonesia (air)	\$	240.00	134.00	69.00	Romania (air)	\$	3,600.00	1,800.00	1,000.00
Algeria (air)	\$	230.00	115.00	63.00	Iran (air)	\$	230.00	115.00	63.00	Seychelles (air)	\$	230.00	115.00	63.00
Angola (air)	\$	230.00	115.00	63.00	Israel (air)	\$	230.00	115.00	63.00	South Africa (air)	\$	240.00	120.00	69.00
Antigua	Sch.	2,700.00	1,350.00	736.00	Italy	Gr.	72.00	36.00	19.00	South America (air)	\$	230.00	115.00	63.00
Belgium	R.P.	5,400.00	2,700.00	1,500.00	Jamaica (air)	\$	240.00	124.00	69.00	Spain (air)	\$	330.00	165.00	92.00
Bombay (air)	\$	230.00	115.00	63.00	Japan	Y.	72,000.00	36,000.00	20,000.00	Spain (air)	Fr.	12,600.00	6,300.00	3,500.00
Bombay (air)	\$	230.00	115.00	63.00	Kenya (air)	\$	230.00	115.00	63.00	Switzerland	Sfr.	230.00	115.00	63.00
Cyprus	\$	230.00	115.00	63.00	Lebanon (air)	\$	240.00	134.00	69.00	Switzerland	Sfr.	230.00	115.00	63.00
Cyprus (air)	\$	230.00	115.00	63.00	Libya (air)	\$	240.00	134.00	69.00	Tanzania (air)	\$	230.00	115.00	63.00
Damascus (air)	D.R.	990.00	495.00	270.00	Luxembourg	L.F.	5,400.00	2,700.00	1,500.00	Turkey (air)	\$	230.00	115.00	63.00
Damascus (air)	D.R.	990.00	495.00	270.00	Madagascar	\$	240.00	134.00	69.00	U.S.S.R. (air)	\$	230.00	115.00	63.00
Damascus (air)	D.R.	990.00	495.00	270.00	Malta (air)	\$	230.00	115.00	63.00	U.S.S.R. (air)	\$	230.00	115.00	63.00
Damascus (air)	D.R.	990.00	495.00	270.00	Mexico (air)	\$	330.00	165.00	92.00	U.S.A. (air)	\$	230.00	115.00	63.00
Finland	F.M.	810.00	405.00	225.00	Morocco (air)	\$	230.00	115.00	63.00	Yugoslavia (air)	\$	230.00	115.00	63.00
France	F.F.	720.00	360.00	196.00	Norway (air)	N.R.	810.00	405.00	225.00	Other Eur. Comm. (air)	\$	230.00	115.00	63.00
France	F.F.	720.00	360.00	196.00	Poland (air)	\$	230.00	115.00	63.00					
France	F.F.	720.00	360.00	196.00	Portugal (air)	\$	230.00	115.00	63.00					
Great Britain	Sls.	54.00	27.00	15.00	Romania (air)	\$	3,600.00	1,800.00	1,000.00					

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10 Year	117.40	117.50	
10 Year	200.00	196.00	
10 Year	260.00	261.50	
10 Year	283.00	283.00	
10 Year	141.00	141.00	
10 Year	50.20	49.50	
10 Year	26.20	26.50	
10 Year	26.20	26.50	

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All articles	2.26	2.49
All articles Index + 438.70		
Previous : 442.00		
Tokyo		
Akopi	264	257
Asahi Chem.	262	249
Asahi Ind.	265	252
Sr. Tokyo	264	254
Bridgestone	411	406
Cannon	782	740
Dai Nippon Print	461	461
Doway	371	329
Furukawa	1,773	1,773
Kawasaki	2,270	2,270
Fisher	4,580	4,580
Mori-Rocha B.	5,425	5,425
Interford	3,720	3,720
Jelmoli	1,550	1,550
Londre Ovr	2,130	2,130
Neddie	3,080	3,080
Sandoz	4,110	4,100
Shimizu	356	356
Schneider	1,760	1,760
Sulzer	1,710	1,700
Susagaki	488	478
UHS	2,073	2,060
Winterthur	2,400	2,400
Zurich Ins.	14,200	14,200

U.S. Economists See Slide in Rate of Inflation

By Lydia Chavez
New York Times Service

NEW YORK — A broad range of economists predict that February's decline in producer prices — the first drop in six years — will be reflected in consumer prices during the next few months as businesses sell off their inventories.

"We might even see" the Consumer Price Index fall, Lawrence G. Chimerine, chairman of Chase Econometrics, said. A decline in the index, which measures the average of a range of consumer prices, would be the first in more than 16 years.

The economists offered a projection in which inflation would remain nearly flat for the next two months, pick up once inventories were sold off and then hold steady for a couple of years at an annual rate of 6 to 7 percent, about two-thirds the average rate since 1979.

The longer-term outlook on inflation depends on the country's ability to improve productivity and contain wage increases, the economists said.

'Aggressive Attempt'

Consumers are now reaping the benefits of an inventory liquidation by paying lower prices for a variety of goods, including gasoline, automobiles and some grocery items.

"This period will continue over the next couple of months and is basically a very aggressive attempt by businesses to eliminate inventories," said Donald Ratajczak, director of forecasting at Georgia State University. "Businesses can't afford to have any excess baggage because of high interest rates."

The March economic survey

Weidenbaum Contends Recession Is Ending, Predicts Upward Trend

By Rudolph A. Pyatt Jr.
Washington Post Service

WASHINGTON — The recession has virtually bottomed out, unemployment is near its peak and double-digit inflation appears to be at an end, the chairman of the president's Council of Economic Advisors says.

"I think the recession is just about at its bottom," presidential adviser Murray L. Weidenbaum said Sunday on a U.S. television interview program. "I think the next turn in the economy clearly will be upward. We already have some modest signs of that."

He said the double-digit inflation "that characterized the economy when this administration took office is behind us and will stay behind us as long as the monetary fiscal restraint effort continues."

Mr. Weidenbaum repeated his belief that the jobless rate will peak around 9 percent. Asked if that is likely to occur soon, he said unemployment typically lags other indicators, beginning to fall after an upturn in the economy, and he predicted "an increase in the size of that upturn in the second quarter."

That does not mean, however, that the recovery will be quick and painless, he said. "Many business firms are learning that a less inflationary environment is perhaps more painful to adjust to than they realize. It's a healthy, necessary kind of adjustment."

He said he expects "an increasing array" of new jobs to be created in the economy but rejected a suggestion that the government should attempt, for example, to ease serious unemployment brought on by problems in the auto industry.

He said the administration's three-phase tax cut is an essential part of a program to increase economic growth and create jobs and insisted that the third installment should not be changed in an attempt to reduce the budget deficit.

published by the Morgan Guaranty Trust Co. predicted that total business inventories would probably be reduced at a "real" annual rate of "3 percent or more in the current quarter — the sharpest reduction since the 1975 recession."

Barry Bosworth, an economist at the Brookings Institution, said

the "dumping of inventory stock" was likely to produce a quick return to higher prices when the recovery begins. However, any rekindling of the ever higher inflation syndrome of the last three years is unlikely, the economists agreed.

"There has been a decline in the underlying inflation rate," Mr.

Chimerine said. The largest component in the core inflation rate is labor costs, and the economists believe that basic changes have occurred in the last year to start a cycle of downward pressure on these costs. "Wage increases have moderated, and productivity increased a little bit in 1981 and the underlying trend for productivity is better than in the past," Mr. Chimerine said.

High unemployment in basic industries such as steel and autos resulted in wage concessions that economists believe will filter down to other industries. "There has been a major change in terms of people's expectations and I expect wage growth to come down fairly evenly in 1983 and 1984," said John B. Taylor, an economist at Princeton University.

Progress Slight

So far, however, this downward pressure has been only slight and progress on labor costs is expected to be slow. At present, labor costs still stand at 7.5 percent compared to the 6.8 percent level of the 1974-75 recession, Mr. Ratajczak said.

"Right now the wage problem is in the consumer sector," he added. "A month ago I talked to a senior manager of a company that still had a 10-percent increase in wages budgeted for wage increases, which is far too high given the present rate of inflation."

Another reason for optimism about inflation is the feeling among economists that the Federal Reserve Board will continue to monitor the money supply closely.

"We've had a couple of years of much tighter monetary policy and in the long run that has been very important to the outlook on inflation," said Richard Zecher, chief economist of Chase Manhattan. Like most of the economists interviewed, Mr. Zecher credited the Federal Reserve's tight control of the money supply as well as the oil surplus for breaking inflation's momentum.

The economists' forecasts of core inflation ranged between 5 and 7.5 percent. This compares with underlying inflation of 10 to 11 percent for the last three years. All agreed that, to shave more points off the inflation rate, wage increases would have to continue to slow and productivity must increase.

Because of the Federal Reserve's continued diligence in controlling the money supply, the recovery is expected to be slow. George Keller, chairman of Standard Oil of California, said that for businesses, the sign that inflation was under control would be lower interest rates.

He added that the large deficits projected by the government had business convinced that, as soon as a recovery begins, inflation will be aggravated by business and the government competing for a limited amount of capital.

COMPANY REPORTS

Revenue and profits, in millions, are in local currencies unless otherwise indicated

Britain			
British Petroleum			
Year	1981	1980	1979
Revenue	30,420	25,350	1,440
Profits	1,071	1,440	0.979
Per Share	0.539	0.579	
Ireland			
Cement Roadstone Holdings			
Year	1981	1980	1979
Revenue	354.27	301.34	25.08
Profits	25.92	25.08	0.105
Per Share	0.11	0.105	
Japan			
Dunlop Olympic			
Year	1981	1980	1979
Revenue	654.67	576.15	20.29
Profits	27.83	20.29	0.105
Per Share	0.11	0.105	
Results in U.S. dollars			
Mitsubishi Chemical Ind.			
Year	1981	1980	1979
Revenue	754,100	793,510	8,480
Profits	1,010	1,480	
Sweden			
Ericsson (LM) Telephone			
Year	1981	1980	1979
Revenue	16,190	12,170	955.0
Profits	1,170	955.0	20.35
Per Share	25.10	20.35	

Steel Price, Credit Vex W. German Firms

AP-Dow Jones

FRANKFURT — West Germany's mechanical engineering industry is warning that rising steel prices are crimping its already depressed earnings at a time when subsidized credit terms in other countries threaten to make West German engineering products internationally uncompetitive.

Tytl Necker, president of the German machinery manufacturers' and plant builders' association VDMA, said he wants Bonn to stop backing a steel price cartel and is asking for government help to compete against nations with programs of subsidized long-term export credits.

The nation's machine builders, the largest industrial sector by turnover, with exports of nearly 70 billion Deutsche marks in 1981, would like to break the European-wide steel accord that has sharply boosted domestic steel prices.

Mr. Necker said the manufacturers' organization was researching the basis for a legal challenge to the cartel, which, he claimed, has the support of the West German government. But association

officials were bitterly pessimistic about the outlook in view of the consensus in the European Community that a price cartel was needed to help restructure Europe's ailing steel industries.

Higher steel costs will force an average rise in machinery prices of 6.5 percent to 7 percent in 1982 if the sector is to avoid massive losses, according to Mr. Necker. In addition, low domestic demand and export competition will probably keep the industry's 1982 profit margin steady at unacceptably low levels compared to 1981, when profits as a share of total sales are estimated at 1.2 percent to 1.3 percent.

Emphasis Shifted

At the same time, Mr. Necker told a press conference, West German machine exports, which posted a 5-percent price-adjusted rise in 1981, needed assistance from Bonn to compete with nations offering export credit subsidies.

Industry spokesman pointed out that France, Italy, Great Britain and the United States all have some form of subsidized export

credits that Germany's free-market-based loans can not match. In addition, Japan, one of the world's top five machine makers, has a lower overall interest rate level.

While Mr. Necker and other association officials asserted they were against all forms of export credit subsidies, they said Bonn should take measures to even out the competitive disadvantage of West German industry if all else fails.

Mr. Necker stressed that the West German machine industry had been essentially growing only from its export sales in 1981, and would ride on export order backlog and new foreign orders to show any growth in 1982. In 1982, machine production could be up around 1 percent to 2 percent in real terms, he said, assuming there was some increase in domestic orders under the economic upturn predicted for the second half.

Association figures showed that in 1981, foreign machine orders rose 17 percent in real terms, while domestic orders declined 9 percent. Overall, orders were up 4 percent in real terms from 1980.

Crisis at British Airways Forces Changes

By Steven Rattner
New York Times Service

LONDON — When a Boeing 747 belonging to an American airline crosses the Atlantic, the luggage, cargo and mail will, as a general rule, be unloaded by six baggage handlers. To do the same job on the same kind of plane flying the same route, British Airways will dispatch a crew of 15.

British Airways, which is owned by the British government, does not compare so unfavorably in all respects, but by every accepted overall measure of efficiency it stands last among the world's biggest airlines, with productivity about half that of major airlines of the United States.

Today, the airline is in the midst of its worst crisis since its formation in 1972 in a merger between the British Overseas Airways Corporation and British European Airways. After a loss equivalent to \$253 million last year, British Airways is expected to report a deficit of about \$360 million for the fiscal year ending March 31. The airline's debt is approaching \$1.85 billion.

Bankamerica Sets Zero-Coupon Note

SAN FRANCISCO — BankAmerica said Monday that it has filed with the Securities and Exchange Commission for a public offering of \$500 million of zero-coupon notes.

The notes are designed primarily for purchase by individual retirement accounts, Keogh plans, individual retirement account rollovers, pension plans and certain other investors not subject to federal income taxes, it said.

Meanwhile, banking sources in London said Monday that Mexico's Nacional Financiera, the state development bank, is arranging a \$1-billion loan through Société Générale of France. The sources said the loan is expected to be for a maximum of three years.

After delivery last week of a secret report by accounting firm Price Waterhouse, the line's finance director, Roger Moss, has been dismissed, and more departures are widely rumored to be on the way. Among the possible candidates for departure is said to be Roy Watts, the chief executive.

Service aloft, where the line's staffing numbers are in keeping with industry norms, is widely derided. In a survey by Business Traveler magazine in London, respondents voted British Airways worst in both long-haul and short-haul service.

British Airways officials refused this week to be interviewed. But in the past, they have blamed a variety of factors, particularly the sharp decline in air traffic that began as the line was still expanding and the competition that has driven down many air fares, particularly on North Atlantic routes. In addition, senior officials have conceded that high manning levels have led to excessive costs.

Morale at the carrier has sunk so low and fears for the line's future have grown so large that when the management offered generous payments to employees willing to leave voluntarily, some 14,000 responded, 5,000 more than had been sought. Criticism is now heard that the severance offer was too generous and there is also grumbling, among passengers and staff members alike, that the fast pace of the attrition has left workers spread too thin.

But deeply frightened by the carrier's prospects, workers have begun to respond in previously unheard-of ways. Pay freezes have been accepted.

Most dramatic has been the effect of a strike by 2,000 baggage handlers at London's Heathrow Airport, who are protesting work rule changes designed to wring out higher productivity.

Other workers have not only refused to honor the handlers' picket lines, but have also been voluntarily transferring the luggage themselves, often on their

own time. And according to airline supervisors, the target of delivering 90 percent of incoming baggage within 25 minutes is being met more often now than it had been by the regular staff.

The fears among the staff have been further nurtured by the bankruptcy of Laker Airways, which embarrassed the British government, coming as it did at a time of staggering losses at British Airways. In thinly veiled comments, senior government officials maintained they were determined to reduce the government-owned company's losses and proceed with the plan to sell a substantial holding to the public. That sale is regarded as unlikely before 1983.

"It is clearly the management's responsibility, therefore, to take strong measures to improve their financial performance as quickly as possible," Iain Sproat, a minister of trade for aviation, said recently.

In many ways, the problems of BA, as it is known, reflect those of many of Britain's companies. Its chairman, Sir John King, is a part-time officer — and has no background in the airline business. In the past, the company has been subjected to government pressure, such as over which planes to buy, and now has 20 versions of 10 different types of aircraft, many of which are very inefficient.

Most dramatically, it was the product of a shotgun merger in an era when bigger seemed better. The two companies were never fully integrated.

Now some analysts have even begun to suggest that the airline might be split back into its two original components.

A Correction

The Euromarket turnover figures reported in IHT on March 15 should have read: Cedit, total turnover, \$7,597.7 million, U.S.\$6,727.1 million, other currencies \$870.6 million; Euro-clear, total turnover \$11,983 million U.S.\$11,593 million, other currencies \$390.9 million.

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BARCELONA, SPAIN	03/174-60-88*
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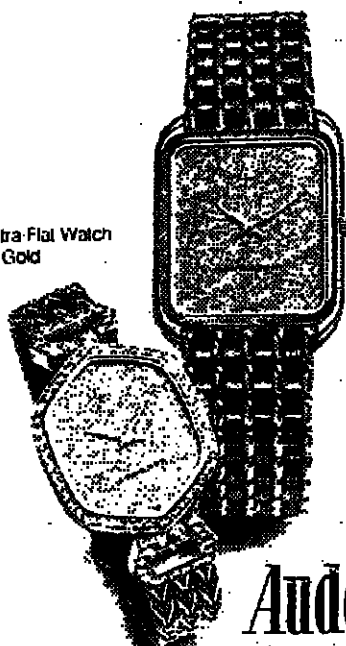
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- a-Also share or extra; b-Annual rule plus stock dividend; c-Partial dividend; d-Declared or sold at preceding 12 months; e-Declared or sold after other dividend or decline; f-Paid first year, dividend withheld, deferred or no action taken at end of dividend meeting; g-Declared or paid this year; on consecutive years; h-Declared or paid last year; i-Declared or paid in preceding 12 months plus stock dividend; j-Paid in stock in preceding 12 months, estimated cash value on n-dividend or s-dividend basis.

- i--Dividend of \$-or-little, ii--Dividend and sales in full.
- j-Sales in full.

ch-Closed, wd-When distributed, wf-When issued, wv-when withdrawn, wW-When returned, x-Estimated, y-

v-In bankruptcy or nonrecourse or better recognized under the Securities Act, or near W-When by both companies.

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